

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

2. NAME OF OPERATOR

Giant Exploration & Production Company

3. ADDRESS OF OPERATOR

P. O. Box 2810, Farmington, NM 87499

DIVISION OF  
OIL, GAS & MINING

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At surface

1170' FSL and 1400' FWL

At proposed prod. zone

Section 35, T35S, R25E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

22 miles southwest of Dove Creek, Colorado

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

1240'

16. NO. OF ACRES IN LEASE

1680.00

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40.00

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

N/A

19. PROPOSED DEPTH

6475'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6580' GLE

22. APPROX. DATE WORK WILL START\*

July 29, 1990

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	120'	140 sks (1.18 ft <sup>3</sup> /sk)
12-1/4	8-5/8	32#	2200'	Lead 685 sks (2.32 ft <sup>3</sup> /sk)
				Tail 200 sks (1.18 ft <sup>3</sup> /sk)
7-7/8	5-1/2	17#	6475'	Lead 360 sks (2.32 ft <sup>3</sup> /sk)
				Tail 100 sks (1.18 ft <sup>3</sup> /sk)

It is proposed to drill the subject Ismay/Desert Creek oil well. Please see attached Onshore Oil and Gas Order No. 1 data.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

*John C. Corbett*  
John C. Corbett

TITLE Vice President-Exploration

DATE July 10, 1990

(This space for Federal or State office use)

PERMIT NO.

43-037-31588

APPROVAL DATE  
Assistant District Manager  
for Minerals

SEP 6 1990

APPROVED BY  
CONDITIONS OF APPROVAL, IF ANY:

1st William C. Stringer

TITLE

DATE

CONDITIONS OF APPROVAL ATTACHED

FLARING OR VENTING OF  
GAS IS SUBJECT TO NTL 4-A

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Dogm

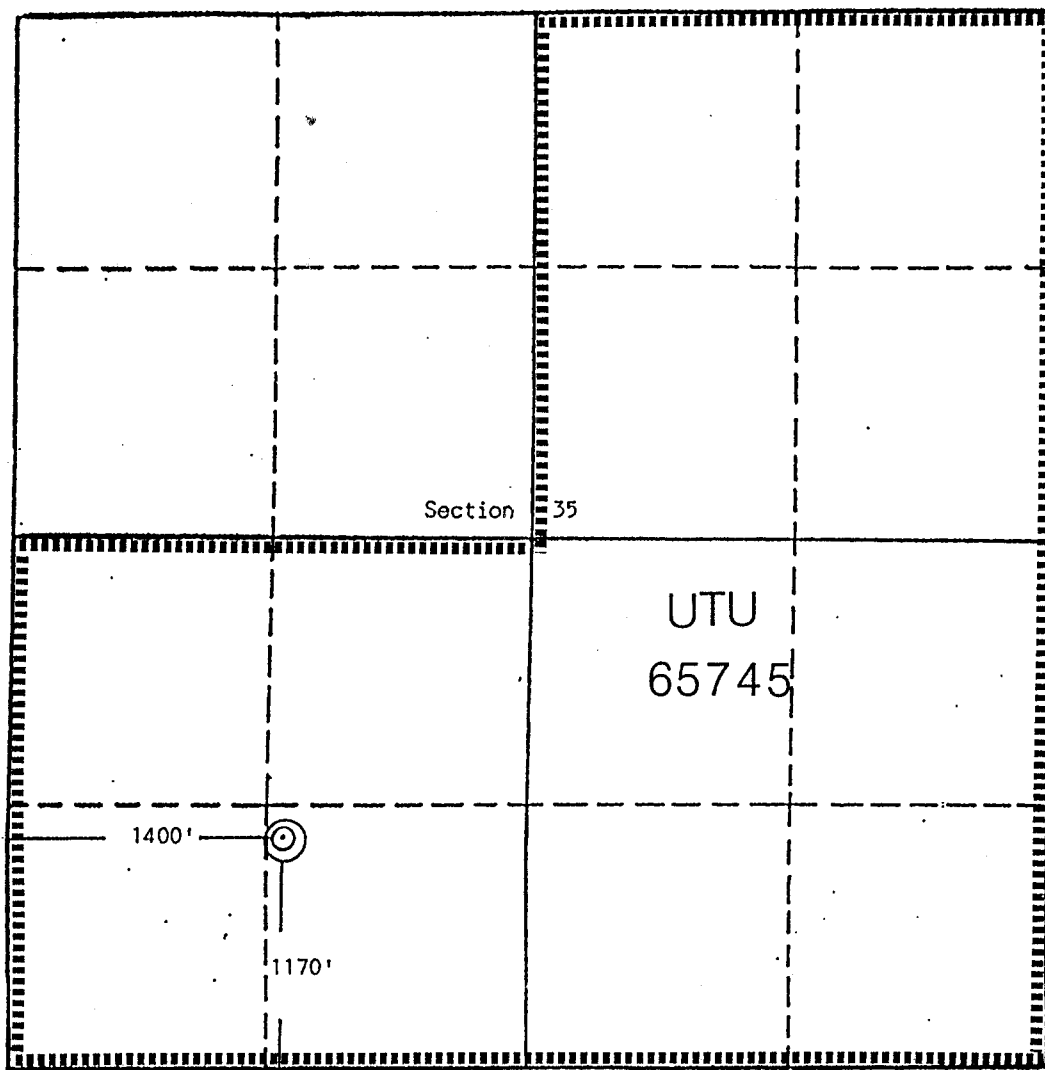
Company Hixon Development Company

Well Name & No. Horse Head Point #1

Location 1170' F/SL 1400' F/WL

Sec. 35, T. 35 S., R. 25 E., S. L. M., County San Juan, Utah

Ground Elevation 6580

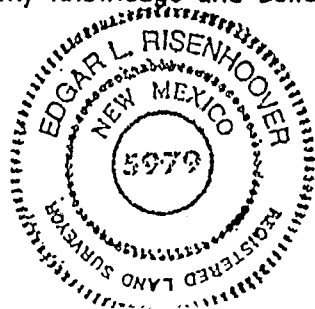


Scale, 1 inch = 1,000 feet

Surveyed June 22, 1990

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:



Edgar L. Risenhoover  
Edgar L. Risenhoover,  
Registered Land Surveyor  
New Mexico Reg. No. 5979

Non-resident certification as  
authorized by Utah State Law  
58-22-21(b)

Giant Exploration & Production Company  
Well No. Horsehead Point #1  
SESW Sec. 35, T. 35 S., R. 25 E.  
San Juan County, Utah  
Lease U-65745

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Giant Exploration & Production Company is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by NM1759 (Principle - Giant Exploration & Production Company) via surety consent as provided for in 43 CFR 3104.3.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

A. DRILLING PROGRAM

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, Onshore Oil and Gas Order No. 2 and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to the field representative to insure compliance.

1. If unconsolidated rock is encountered, conductor shall be set ten (10) feet unto underlying bedrock with cement circulated to surface.
2. Intermediate casing will be set at least 50 feet into the Chinle Formation regardless of the depth the Chinle is encountered.

## B. STIPULATIONS

1. All permanent above-ground facilities (6 months or longer) would be painted a neutral, nonreflective JUNIPER GREEN color to blend into the surrounding area, except for those required to comply with the Occupational Safety and Health Act or written company safety manual or documents.

If a tank battery is constructed on this location it will be surrounded by a dike of sufficient capacity to contain 1.5 times the storage capacity of the largest tank; all load lines and valves will be placed inside the dike surrounding the tank battery.

2. All site security guidelines identified in 43 CFR 3162.7-5 and ONSHORE OIL AND GAS ORDER NO. 3; SITE SECURITY will be adhered to.

3. Gas measurement will be conducted in accordance with the ONSHORE OIL AND GAS ORDER NO. 5; GAS MEASUREMENT and 43 CFR 3162.7-3.

Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and downstream for the remainder of the pad. Meter runs will be housed and/or fenced.

4. Oil measurement will be conducted in accordance with ONSHORE OIL AND GAS ORDER NO. 4; OIL MEASUREMENT and 43 CFR 3162.7-2.

5. If the well is a producer the access road (including any existing non-county) will be brought to Resource (Class III) Road Standards within sixty (60) days of completion of drilling operations. If the well is a dry hole the road will be rehabilitated within sixty (60) days of completion of drilling. Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed will be approved by the Area Manager in advance. The topsoil from the access road will be reserved in place.

6. Pad construction material will be obtained from on site and in place materials. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.

7. The reserve pit will be constructed with at least 1/2 of the capacity in cut material and will be lined with 24 tons of bentonite.

Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four (4) strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four (4) feet. The fence will be kept in good repair while the pit is drying.

No liquid hydrocarbons (i.e. fuels, lubricants, formation) will be discharged to the reserve pit.

No chrome compounds will be on location.

All trash will be placed in a trash basket and hauled to a refuge facility. There will be no burning of trash on location.

Produced waste water will be confined to the reserve pit for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to NTL-2B.

8. Within 24 hours of completion of drilling, the location and surrounding area will be cleared of all equipment, debris, materials, and junk not required for production.

9. As soon as the reserve pit has dried or within eighteen months (18) whichever is least, all areas not needed for production (including the access road) will be filled in, recontoured to approximately natural contours and as much top soil as was removed replaced leaving enough for future restoration. The remaining top soil (if any) will be stabilized and seeded in place. If the well is a dry hole, the location and access road will be rehabilitated in total.

10. The area will be seeded between October 1 and February 28 with the following listed pounds per acre of pure live seed.

- 6 lbs Crested wheatgrass
- 3 lbs Fourwing saltbush
- .5 lb Yellow Sweetclover
- 2 lbs Forage Kochia
- 2 lbs Russian wildrye

The seed will be broadcast followed by a light harrowing. If the seed is drilled, the seeding rate can be reduced by 25% and harrowing can be eliminated. The seed will be scattered evenly over the location and access road.

11. There will be no deviation from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned and/or separate facilities, will be identified in accordance with 43 CFR 3162.6.

12. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.6.

13. The dirt contractor will be provided with an approved copy of the surface use plan.

14. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places:
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
- a timeframe for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

15. This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

16. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer.

C. Anticipated Starting Dates and Notifications of Operations:

Required verbal notifications are summarized in Table 1, attached. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within twenty-four (24) hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.

Should the well be successfully completed for production, the Assistant District Manager, Minerals Division will be notified when the well is placed in producing status. Such notification will be sent by telegram or other written communication, not later than five (5) business days following the date on which the well is placed on production.

If a replacement rig is needed for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed for prior approval from the District Office, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations, verbal approval to bring on a replacement rig will be approved through the District Office.

A first production conference will be scheduled within fifteen (15) days after receipt of the first production report. The Resource Area Office will coordinate the field conference.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Assistant District Manager, Minerals Division within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6.

The following minimum information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch:

"Fed" or "Ind", as applicable. "Well number, location by 1/4 1/4 section, township and range". "Lease number".

D. SURFACE USE PLAN

1. There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager for Minerals. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned and/or separate facilities, will be identified in accordance with 43 CFR 3162.6.
2. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.6.
3. The dirt contractor will be provided with an approved copy of the surface use plan.
4. A cultural resource clearance (will/will not) be required before any construction begins. If any cultural resources are found during construction all work will stop and the Area Manager will be notified.
5. This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.



TABLE 1

NOTIFICATIONS

Notify Mike Wade of the San Juan Resource Area, at  
(801) 587-2141 for the following:

- 2 days prior to commencement of dirt work, construction or reclamation;
- 1 day prior to spudding;
- 1 day prior to running and cementing surface casing;
- 1 day prior to pressure testing of BOPE and/or surface casing.

Notify the Moab District Office, Branch of Fluid Minerals at (801) 259-6111 for the following:

No well abandonment operations will be commenced without the prior approval of the Assistant District Manager, Mineral Resources. In the case of newly drilled dry holes, and in emergency situations, verbal approval can be obtained by calling the following individuals, in the order listed:

Dale Manchester, Petroleum Engineer	Office Phone: (801) 259-6111
	Home Phone: (801) 259-6239
Eric Jones, Petroleum Engineer	Office Phone: (801) 259-6111
	Home Phone: (801) 259-2214

If unable to reach the above individuals including weekends, holidays, or after hours, please call the following:

Lynn Jackson, Chief, Branch of Fluid Minerals

Office Phone: (801) 259-6111
Home Phone: (801) 259-7990

24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Serial No. UTU-65745

## OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

## READ INSTRUCTIONS BEFORE COMPLETING

1. Name

Hixon Development Company

Street

P. O. Box 2810

City, State, Zip Code

Farmington, NM 87499

2. This application/offer/lease is for: (Check only One) ☒ PUBLIC DOMAIN LANDS☐ ACQUIRED LANDS (percent U.S. interest \_\_\_\_\_)

Surface managing agency if other than BLM: \_\_\_\_\_

Unit/Project \_\_\_\_\_

Legal description of land requested: \_\_\_\_\_

\*Parcel No.: 446

\*Sale Date (m/d/y): 6 / 19 / 89

\*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T.

R.

Meridian

State

County

Entry No.	11-09663 311		
Recorded	8-7-89	At 10:51 A.M.	Bk 704 Pg 313
Fee Paid	Louise C. Jones		
	Recorder, San Juan County		
11.00	By	L.C. Jones	Deputy

Amount remitted: Filing fee \$ \_\_\_\_\_

Rental fee \$ \_\_\_\_\_

Total acres applied for \_\_\_\_\_  
Total \$ \_\_\_\_\_

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 35 S. R. 25 E. Meridian Salt Lake State Utah County San Juan

ABSTRACTED

- Sec. 23, E $\frac{1}{2}$ ;
- Secs. 24, E $\frac{1}{2}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ ;
- Sec. 25, E $\frac{1}{2}$ ;
- Sec. 26, E $\frac{1}{2}$ ;
- Sec. 35, NE $\frac{1}{4}$ , S $\frac{1}{2}$ .

Total acres in lease 1,680.00  
Rental retained \$ 2,520.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)☒ Competitive lease (five years)☐ Other \_\_\_\_\_

THE UNITED STATES OF AMERICA

by

Chief, Minerals

(Signing Officer)

Adjudication Section

(Title)

AUG

JUL 10 1989

(Date)

EFFECTIVE DATE OF LEASE

1 1989

Hixon Development Co.

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States or an association of such citizens, a municipality, or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3160 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 17th day of July

19 89

Hixon Development Company

Aldrich L. Kuchera, President & CEO

## LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

- (a) Noncompetitive lease, \$1.50 for the first 5 years; thereafter \$2.00;
- (b) Competitive lease, \$1.50; for primary term, thereafter \$2.00;
- (c) Other, see attachment, or as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Noncompetitive lease, 12½ %;
- (b) Competitive lease, 12½ %;
- (c) Other, see attachment; or as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports

costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

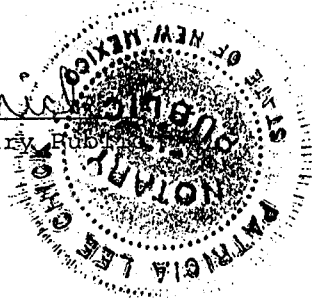
State of New Mexico )  
 )SS.  
County of San Juan )

Before me, the undersigned authority, on this 17th day of July, 1989 personally appeared Aldrich L. Kuchera, President and Chief Executive Officer of Hixon Development Company, a Texas Corporation, who is known to me to be the person who executed the foregoing instrument and who acknowledged to me that he executed the same as his free act and deed on behalf of the corporation for all of the purposes therein stated.

Subscribed and sworn to me this 17th day July, 1989.

My commission expires  
October 2, 1990

Patricia Lee Chick  
Patricia Lee Chick, Notary Public



#129643 155

RECORDED, SAN JUAN COUNTY, UTAH

File original and one copy

Filing Fee: \$35.00

1990 NOV 13 AM 9:16  
APPLICATION FOR  
AMENDED CERTIFICATE OF AUTHORITY  
OF

1990 AUG 22 AM 9:59

10.00 Entry No. 12549 371  
Recorded 11-13-90 At 9:16 A.M. Bk 713 Pg 375  
Fee Paid Louise C. Jones  
Recorder, San Juan County  
10.00 By L. Harlan Deputy

Hixon Development Company  
(corporate name)

To The Division of Corporations and Commercial Code  
of the State of Utah:

Pursuant to the provisions of Section 16-10-114 of the Utah Business Corporation Act, the under-  
signed corporation hereby applies for an Amended Certificate of Authority to transact business in  
Utah, and for that purpose submits the following statement:

FIRST: A Certificate of Authority was issued to the corporation by your office on 1/25  
19 88, authorizing it to transact business in your State.

SECOND: The corporate name of the corporation has been changed to \_\_\_\_\_  
.Giant Exploration & Production Company

THIRD: The corporation will use the changed name hereafter in Utah.

FOURTH: It desires to pursue in the transaction of business in Utah other or additional purposes  
than those set forth in its prior Application for a Certificate of Authority, as follows:

Dated August 15, 19 90.

Hixon Development Company  
(exact corporate name)

DEPARTMENT OF COMMERCE  
DIVISION OF CORPORATIONS AND COMMERCIAL CODE  
I hereby certify that the foregoing has been filed

and approved on the 22nd day of Aug, 1990  
in the office of this Division. BS 8/22/90  
EXAMINER

By Aldrich L. Kuchera  
President of HIXON DEVELOPMENT COMPANY

By Earlene J. Bickford  
Asst. Secretary of HIXON DEVELOPMENT COMPANY  
Earlene J. Bickford



- Notes: 1. If the corporate name has not been changed, insert "No Change".  
2. If no other or additional purposes are proposed, insert "No Change".

STATE OF New Mexico } ss  
COUNTY OF San Juan }

I, Debora A. Shelton, a notary public, do hereby certify that on this  
fifteenth day of August, 19 90,  
personally appeared before me Aldrich L. Kuchera who, being by me first duly  
sworn, declared that he is the President  
Hixon Development Company  
That he signed the foregoing document as President of the corporation, and that the  
statements therein contained are true.

In witness whereof I have hereunto set my hand and seal this fifteenth day of  
August, A.D. 19 90.

My Commission expires July 20, 1991

Debora A. Shelton  
Notary Public

0234020007

ARTICLES OF AMENDMENT

TO

THE ARTICLES OF INCORPORATION

OF

HIXON DEVELOPMENT COMPANY

FILED  
In the Office of the  
Secretary of State of Texas

JUL 12 1990

Corporations Section

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act, Hixon Development Company (the "Corporation") hereby adopts the following Articles of Amendment to its Articles of Incorporation:

ARTICLE I

The name of the corporation is Hixon Development Company.

ARTICLE II

The following amendment to the Articles of Incorporation was adopted by the shareholders of the Corporation on July 11, 1990 in conformity with the provisions of the Texas Business Corporation Act.

Article I is hereby amended to read in its entirety as follows:

ARTICLE I

The name of the corporation is Giant Exploration & Production Company.

ARTICLE III

The number of shares of the capital stock of the Corporation issued and outstanding at the time of adoption was 1,000 shares of common stock, par value \$.01 per share; the number of shares entitled to vote thereon was 1,000 shares of common stock.



112 AUG 22 AM 9:59

# The State of Texas

## SECRETARY OF STATE

The undersigned, as Secretary of State of the State of Texas, HEREBY CERTIFIES that the attached is a true and correct copy of the following described instruments on file in this Office:

GIANT EXPLORATION & PRODUCTION COMPANY

Articles of Amendment

July 12, 1990



*IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, this*

17th day of August, A. D. 19<sup>90</sup>

*George S. Boyd*  
Secretary of State dem

1 0 2 5 7 0 5 7 2 0

ARTICLE IV

The holders of all shares outstanding and entitled to vote on the amendment have signed and consent in writing adopting the amendment.

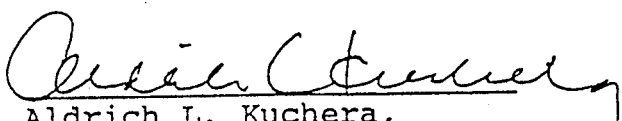
ARTICLE V

The amendment will have no effect on the stated capital of the Corporation.

EXECUTED this 11th day of July, 1990.

HIXON DEVELOPMENT COMPANY

By:

  
Aldrich L. Kuchera,  
President





GIANT EXPLORATION AND  
PRODUCTION COMPANY

P.O. Box 2810  
Farmington, New Mexico  
87499

505  
326-3325

October 30, 1990

State of Utah  
Division of Oil, Gas and Mining  
355 W. North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180

RECEIVED  
NOV 05 1990

DIVISION OF  
OIL, GAS & MINING

ATTENTION: Ms. Tami Searing

REFERENCE: Horsehead Point No. 1  
1170' FSL and 1400' FWL  
Section 35, T35S, R25E  
San Juan County, Utah

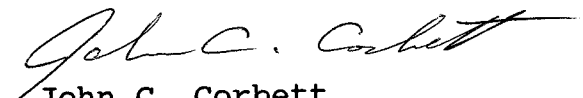
Dear Ms. Searing:

Please find enclosed a copy of the Application for Permit to  
Drill for the referenced well.

If you should require additional information, please do not  
hesitate to call.

Sincerely,

GIANT EXPLORATION & PRODUCTION COMPANY

  
John C. Corbett  
Vice President - Exploration

:dh

Enclosures

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER

SINGLE  
ZONE

2. NAME OF OPERATOR

Giant Exploration & Production Company

3. ADDRESS OF OPERATOR

P. O. Box 2810, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
At surface

1170' FSL and 1400' FWL

At proposed prod. zone

Section 35, T35S, R25E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

22 miles southwest of Dove Creek, Colorado

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

1240'

16. NO. OF ACRES IN LEASE

1680.00

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40.00

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

N/A

19. PROPOSED DEPTH

6475' IS-OC

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6580' GLE

22. APPROX. DATE WORK WILL START\*

July 29, 1990

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	120'	140 sks (1.18 ft <sup>3</sup> /sk)
12-1/4	8-5/8	32#	2200'	Lead 685 sks (2.32 ft <sup>3</sup> /sk)
				Tail 200 sks (1.18 ft <sup>3</sup> /sk)
7-7/8	5-1/2	17#	6475'	Lead 360 sks (2.32 ft <sup>3</sup> /sk)
				Tail 100 sks (1.18 ft <sup>3</sup> /sk)

It is proposed to drill the subject Ismay/Desert Creek oil well. Please see attached Onshore Oil and Gas Order No. 1 data.

ACCEPTED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 12-5-90

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present production zone and estimated new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

RB15-3-3

SIGNED

John C. Corbett

TITLE Vice President-Exploration

DATE July 10, 1990

(This space for Federal or State office use)

API

PERMIT NO.

43-037-31588

Assistant District Manager  
for Minerals

APPROVED BY

William C. Hunsinger

TITLE

DATE 9/6/90

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

FLARING OR VENTING OF  
GAS IS SUBJECT TO NTL 4-A

Dated 1/1/80

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

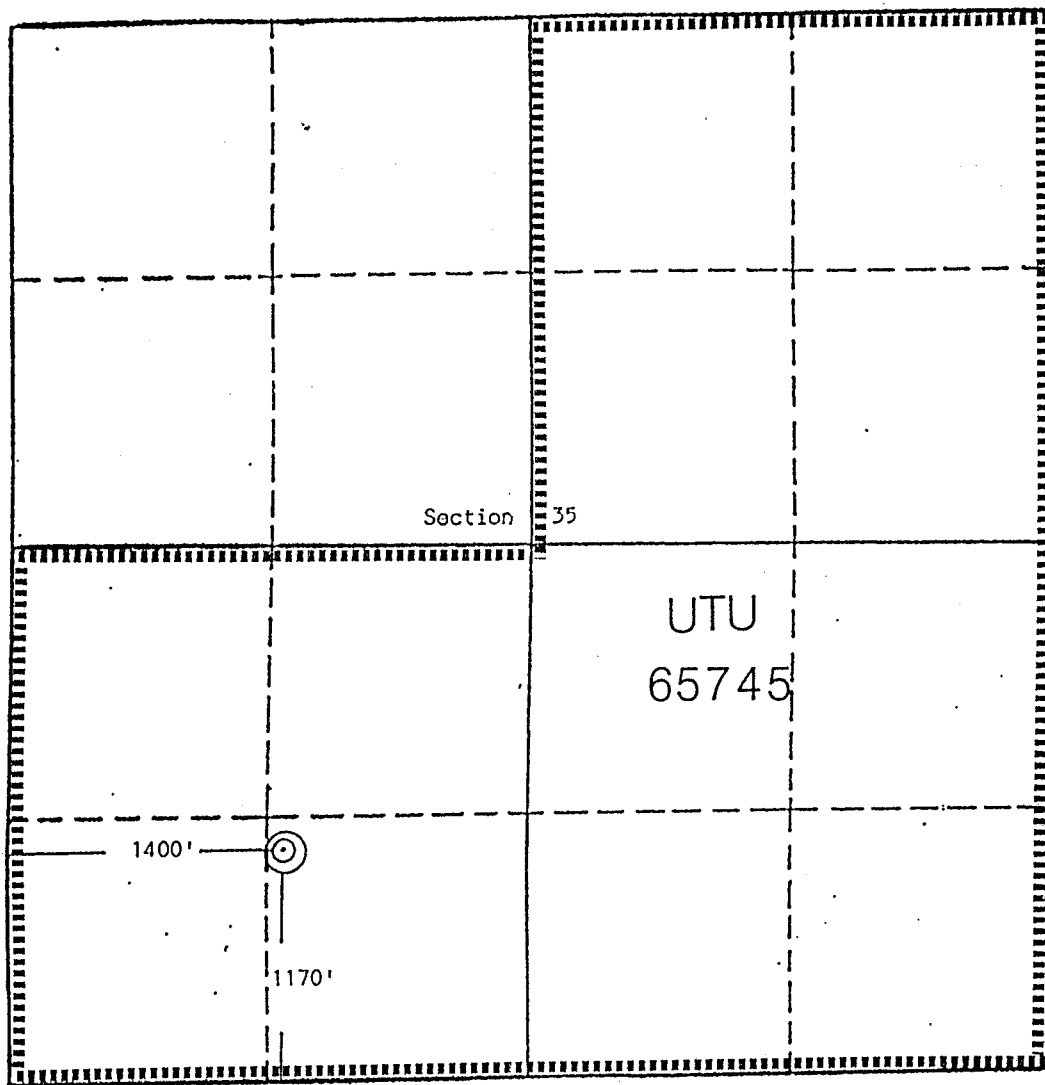
Company Hixon Development Company

Well Name & No. Horse Head Point #1

Location 1170' F/SL 1400' F/WL

Sec. 35, T. 35 S., R. 25 E., S. L. M., County San Juan, Utah

Ground Elevation 6580

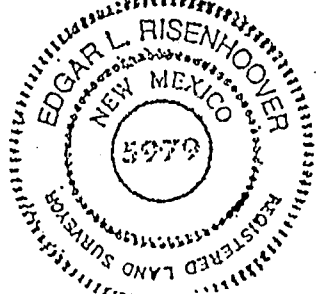


Scale, 1 inch = 1,000 feet

Surveyed June 22, 1990

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:



Edgar L. Risenhoover  
Edgar L. Risenhoover,  
Registered Land Surveyor  
New Mexico Reg. No. 5979

Non-resident certification as  
authorized by Utah State Law  
58-22-21(b)

Giant Exploration & Production Company  
Well No. Horsehead Point #1  
SESW Sec. 35, T. 35 S., R. 25 E.  
San Juan County, Utah  
Lease U-65745

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Giant Exploration & Production Company is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by NM1759 (Principle - Giant Exploration & Production Company) via surety consent as provided for in 43 CFR 3104.3.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

A. DRILLING PROGRAM

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, Onshore Oil and Gas Order No. 2 and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to the field representative to insure compliance.

1. If unconsolidated rock is encountered, conductor shall be set ten (10) feet into underlying bedrock with cement circulated to surface.
2. Intermediate casing will be set at least 50 feet into the Chinle Formation regardless of the depth the Chinle is encountered.

## B. STIPULATIONS

1. All permanent above-ground facilities (6 months or longer) would be painted a neutral, nonreflective JUNIPER GREEN color to blend into the surrounding area, except for those required to comply with the Occupational Safety and Health Act or written company safety manual or documents.

If a tank battery is constructed on this location it will be surrounded by a dike of sufficient capacity to contain 1.5 times the storage capacity of the largest tank; all load lines and valves will be placed inside the dike surrounding the tank battery.

2. All site security guidelines identified in 43 CFR 3162.7-5 and ONSHORE OIL AND GAS ORDER NO. 3; SITE SECURITY will be adhered to.

3. Gas measurement will be conducted in accordance with the ONSHORE OIL AND GAS ORDER NO. 5; GAS MEASUREMENT and 43 CFR 3162.7-3.

Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and downstream for the remainder of the pad. Meter runs will be housed and/or fenced.

4. Oil measurement will be conducted in accordance with ONSHORE OIL AND GAS ORDER NO. 4; OIL MEASUREMENT and 43 CFR 3162.7-2.

5. If the well is a producer the access road (including any existing non-county) will be brought to Resource (Class III) Road Standards within sixty (60) days of completion of drilling operations. If the well is a dry hole the road will be rehabilitated within sixty (60) days of completion of drilling. Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed will be approved by the Area Manager in advance. The topsoil from the access road will be reserved in place.

6. Pad construction material will be obtained from on site and in place materials. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.

7. The reserve pit will be constructed with at least 1/2 of the capacity in cut material and will be lined with 24 tons of bentonite.

Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four (4) strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four (4) feet. The fence will be kept in good repair while the pit is drying.

No liquid hydrocarbons (i.e. fuels, lubricants, formation) will be discharged to the reserve pit.

No chrome compounds will be on location.

All trash will be placed in a trash basket and hauled to a refuge facility. There will be no burning of trash on location.

Produced waste water will be confined to the reserve pit for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to NTL-2B.

8. Within 24 hours of completion of drilling, the location and surrounding area will be cleared of all equipment, debris, materials, and junk not required for production.

9. As soon as the reserve pit has dried or within eighteen months (18) whichever is least, all areas not needed for production (including the access road) will be filled in, recontoured to approximately natural contours and as much top soil as was removed replaced leaving enough for future restoration. The remaining top soil (if any) will be stabilized and seeded in place. If the well is a dry hole, the location and access road will be rehabilitated in total.

10. The area will be seeded between October 1 and February 28 with the following listed pounds per acre of pure live seed.

- 6 lbs Crested wheatgrass
- 3 lbs Fourwing saltbush
- .5 lb Yellow Sweetclover
- 2 lbs Forage Kochia
- 2 lbs Russian wildrye

The seed will be broadcast followed by a light harrowing. If the seed is drilled, the seeding rate can be reduced by 25% and harrowing can be eliminated. The seed will be scattered evenly over the location and access road.

11. There will be no deviation from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned and/or separate facilities, will be identified in accordance with 43 CFR 3162.6.

12. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.6.

13. The dirt contractor will be provided with an approved copy of the surface use plan.

14. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places:
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
- a timeframe for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

15. This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

16. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer.

C. Anticipated Starting Dates and Notifications of Operations:

Required verbal notifications are summarized in Table 1, attached. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within twenty-four (24) hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.

Should the well be successfully completed for production, the Assistant District Manager, Minerals Division will be notified when the well is placed in producing status. Such notification will be sent by telegram or other written communication, not later than five (5) business days following the date on which the well is placed on production.

If a replacement rig is needed for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed for prior approval from the District Office, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations, verbal approval to bring on a replacement rig will be approved through the District Office.

A first production conference will be scheduled within fifteen (15) days after receipt of the first production report. The Resource Area Office will coordinate the field conference.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Assistant District Manager, Minerals Division within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6.

The following minimum information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch:

"Fed" or "Ind", as applicable. "Well number, location by 1/4 1/4 section, township and range". "Lease number".



D. SURFACE USE PLAN

1. There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager for Minerals. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned and/or separate facilities, will be identified in accordance with 43 CFR 3162.6.
2. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.6.
3. The dirt contractor will be provided with an approved copy of the surface use plan.
4. A cultural resource clearance (will/will not) be required before any construction begins. If any cultural resources are found during construction all work will stop and the Area Manager will be notified.
5. This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

TABLE 1

NOTIFICATIONS

Notify Mike Wade of the San Juan Resource Area, at  
(801) 587-2141 for the following:

- 2 days prior to commencement of dirt work, construction or reclamation;
- 1 day prior to spudding;
- 1 day prior to running and cementing surface casing;
- 1 day prior to pressure testing of BOPE and/or surface casing.

Notify the Moab District Office, Branch of Fluid Minerals at (801) 259-6111  
for the following:

No well abandonment operations will be commenced without the prior approval of the Assistant District Manager, Mineral Resources. In the case of newly drilled dry holes, and in emergency situations, verbal approval can be obtained by calling the following individuals, in the order listed:

Dale Manchester, Petroleum Engineer      Office Phone: (801) 259-6111

Home Phone: (801) 259-6239

Eric Jones, Petroleum Engineer      Office Phone: (801) 259-6111

Home Phone: (801) 259-2214

If unable to reach the above individuals including weekends, holidays, or after hours, please call the following:

Lynn Jackson, Chief, Branch of Fluid Minerals

Office Phone: (801) 259-6111

Home Phone: (801) 259-7990

24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS.

APPLICATION FOR PERMIT TO DRILL  
GIANT EXPLORATION & PRODUCTION COMPANY  
WILDCAT  
HORSEHEAD POINT NO. 1  
1170' FSL AND 1400' FWL  
SECTION 35, T35S, R25E  
SAN JUAN COUNTY, UTAH

1. Form 3. See attached.

2. General Location Information:

2.1 Giant Exploration & Production Company's representative is:

Tap Harris  
2200 Bloomfield Highway  
Farmington, New Mexico 87401  
(505) 326-3325

2.2 Surface Ownership/Mineral Ownership - The surface and minerals are ~~owned by the State of Utah, administered by the Division of Oil, Gas and Mining.~~  
*Federally owned and administered by DOI, Bureau of Land Management.*

2.3 This well is not located within an existing or proposed unit.

2.4 A location plat showing elevation is attached.

2.6 Location and Type of Water Supply - Giant Exploration & Production Company is in the process of obtaining a water source.

3. Proposed Drilling Program:

3.1 Estimated Tops of Geologic Markers:

Entrada	850'
Navajo	900'
Kayenta	1575'
Wingate	1620'
Chinle	1990'
Shinarump	2690'
Moencopi	2780'
Cutler	2840'
Hermosa	4745'
Paradox	5935'
Upper Ismay	6060'
Hovenweep	6140'
Lower Ismay	6220'
Gothic	6275'
Upper Desert Creek	6325'
Lower Desert Creek	6384'
Desert Creek Pay	6392'
Chimney Rock	6410'
Akah	6425'
Akah Salts	6465'

APPLICATION FOR PERMIT TO DRILL  
GIANT EXPLORATION & PRODUCTION COMPANY  
WILDCAT  
HORSEHEAD POINT NO. 1  
1170' FSL AND 1400' FWL  
SECTION 35, T35S, R25E  
SAN JUAN COUNTY, UTAH  
PAGE 2

3.2 Anticipated Water:

Fresh water - the top of the Entrada is expected at 850' and the bottom of the Wingate is expected at 1989'. The Entrada, Navajo, Kayenta and Wingate will be covered by intermediate casing.

3.3 Pressure Control - BOP's to be used are detailed in the attached diagram.

Testing of BOP - All Blow Out Prevention equipment will be tested upon installation. This will include casing, casing head, and all related equipment and connections associated with blow out prevention and/or control. Testing will be to the lesser of the following: (1) Full manufacturer's working pressure rating of equipment; (2) 70% of minimum internal yield pressure of casing; (3) or 1 psi/ft. of last casing string depth.

All BOP's will be checked each trip for physical operation. Morning tower driller will also check operating components of BOP, test operation of BOP and record on driller's log.

3.4 Proposed Casing Program:

Surface Casing will be 120' of 13-3/8", 48#, 8rd, H-40 ST & C., LS, casing.

Intermediate Casing will be 2200' of 8-5/8", 32#, 8rd, K-55, ST&C, Smls, casing.

Production Casing will be 6475' of 5-1/2", 17#, 8rd, J-55, ST & C. Smls, casing.

Proposed Cementing Program:

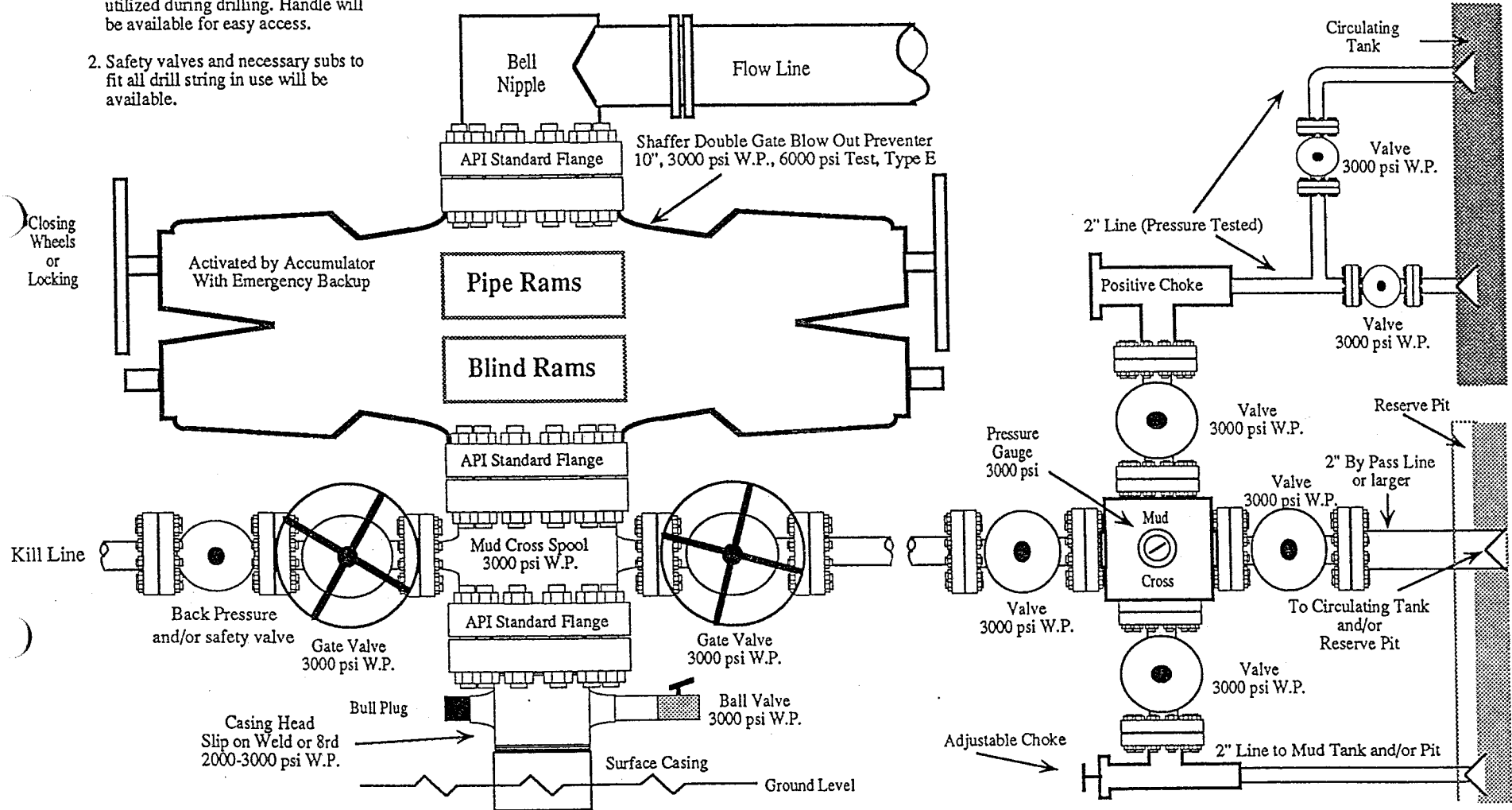
Surface Casing will be cemented to surface as follows: (1) break circulation with water; (2) pump 140 sks of Class "B" cement containing 2% CaCl; (3) displace cement to 30' above end of casing shoe with water; (4) WOC 12 hrs.

# Giant Exploration & Production Company Pressure Control Equipment

## Horsehead Point #1

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

APPLICATION FOR PERMIT TO DRILL  
GIANT EXPLORATION & PRODUCTION COMPANY  
WILDCAT  
HORSEHEAD POINT NO. 1  
1170' FSL AND 1400' FWL  
SECTION 35, T35S, R25E  
SAN JUAN COUNTY, UTAH  
PAGE 3

3.4 (continued)

Intermediate Casing will be cemented to surface as follows: (1) break circulation with water; (2) pump 685 sks Class "B" cement containing 3% salt, 16% gel, and light dispersant, tail in with 200 sks of Class "B" cement containing 2% CaCl; (3) drop cement wiper plug and displace to float with water; (4) WOC 12 hrs.

Production Casing will be cemented as follows: (1) break circulation with mud; (2) pump 20 bbls. of chemical mud wash; (3) mix and pump 360 sks of Class "B" cement containing 16% gel, 3% salt, 6% retarder, tail in with 100 sks Class "B" cement containing 3% salt, 1% fluid loss and light dispersant; (4) drop cement wiper plug and displace to float with water; (5) WOC for 72 hrs. or until a compressive strength of 1000 psi or greater.

3.5 Mud Program:

Surface - 0-120'; drill 17-1/2" hole with water treated with polymer/gel and lime (spud mud).

Intermediate - 120'-2200'; drill 12-1/4" hole with water treated with polymer/gel and lime. Sweep hole at intervals with gel-lime pills to clean hole. Control lost circulation with gel-LCM pills. Control seepage with Mud-Seal and fine mica.

Production Hole - 2200'-TD; drill 7-7/8" hole with water treated with polymer and lime to about 5500' to 5700'. Mud up at any point if water flows or hole problems are encountered. If no problems, begin mudding up about 200' above Paradox. Build mud weight to 9-9.6 #/gal., and viscosity 34-40 sec/qt. Pretreat mud 50' above Ismay or prior to anhydrites, with caustic, soda Ash, and dispersant. Raise pH to 12, and lower water loss to 10-12 cc. Maintain this system to TD. Build mud weight to 9.6 #/gal. before the Lower Desert Creek, or to a mud weight sufficient to handle any abnormal pressures. Sweep and clean hole to log with 40-45 sec/qt. mud.

APPLICATION FOR PERMIT TO DRILL  
GIANT EXPLORATION & PRODUCTION COMPANY  
WILDCAT  
HORSEHEAD POINT NO. 1  
1170' FSL AND 1400' FWL  
SECTION 35, T35S, R25E  
SAN JUAN COUNTY, UTAH  
PAGE 4

3.5 (continued)

Mud properties will be:

Weight - 8.4-10.0 #/gallon  
Viscosity - 34-44 sec/qt  
Plastic Viscosity - 4-8 cps  
Yield Value - 3-6 #/100 square feet  
Fluid Loss - 10-12 cc's/API  
pH - 8.3-12.00  
Solids Content - 5-1/2% maximum  
Annular Velocity - 120'/min.

3.6 Testing, Logging and Coring -

This well will be evaluated on the basis of Induction Electric Survey, Gamma Ray, Compensated Density-Neutron, Sonic and Caliper surveys. Cased hole logs will consist of CCL and Cement Bond Logs and Gamma Ray.

3.7 Drilling Problems -

Bottom hole pressure gradient is 8.89 #/gal.-.462 psi/ft. Fracture gradient is 13.5 #/gal.-.7 psi/ft. We will prepare for drilling problems by controlling solids and mud weight.

3.8 Surface Use Program - Please see attached topographic maps.

1. Existing Roads - Proposed location is situated within existing road system accessed by Highway 666 from Dove Creek Colorado. Roads will be maintained in the same or better condition than presently exists.

To reach the proposed location start from the Colorado-Utah border heading west toward Monticello, Utah. Travel approximately 5.7 miles to the Eastland Township road. Turn left (south) on the Eastland Township road and follow oil road for 6.7 miles to where oil road ends. Turn right and travel 1 mile to "T" in road. Turn left traveling south for 3 miles to a fence line that runs north and south. There is a planted field on the east side of the fence line. Follow crop land on

APPLICATION FOR PERMIT TO DRILL  
GIANT EXPLORATION & PRODUCTION COMPANY  
WILDCAT  
HORSEHEAD POINT NO. 1  
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SECTION 35, T35S, R25E  
SAN JUAN COUNTY, UTAH  
PAGE 5

3.8 (continued)

the east side of the fence line for 5618 feet. Turn right through gate on to old existing seismic road. Go south for 3.75/10 mile to access road for proposed location turn left (east) and travel 470 feet into the proposed location.

2. Planned Access Road - Access to the location will be a 14 foot wide driving surface. Road length will travel 7384 feet. Maximum grade <1% with no cuts or fill. There will be no turn outs, culverts, bridges or foreign surface materials.

Location of Existing Wells - All wells within a one mile radius are shown on the attached map.

Wellsite Layout - Refer to attached plat and cross sections. The pit will be unlined.

All garbage and trash will be placed in a trash pit. This earthen pit will be four to six feet deep with small mesh wire fencing to prevent the scattering of trash. Upon cleanup, any refuse in the trash pit will be buried at least three feet deep.

Methods of Handling Waste Disposal - Any waste material incurred while drilling will be buried in the mud pits, i.e. 5' deep. Cuttings, drilling fluid, well circulation and stimulation fluids (if any) will be contained in the mud pits. The mud pits will be allowed to dehydrate, and will be filled and contoured per regulations. Well site will be properly cleaned up, and pits will be fenced on three sides and the fourth will be fenced after rigging down.

Plans for Reclamation of the Surface - The area will be raked and waste materials buried 5' deep. The pit will be filled and the location contoured. Revegetation will be carried out per stipulations.

Production Facilities - Oil storage facilities will be located on the well site.



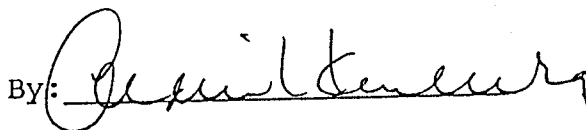
APPLICATION FOR PERMIT TO DRILL  
GIANT EXPLORATION & PRODUCTION COMPANY  
WILDCAT  
HORSEHEAD POINT NO. 1  
1170' FSL AND 1400' FWL  
SECTION 35, T35S, R25E  
SAN JUAN COUNTY, UTAH  
PAGE 6

Other Information - Archaeological clearance,  
topography, oil character and biota are detailed in the  
archaeologic report included with this APD.

Chemical toilets will be provided and maintained during  
drilling operations.

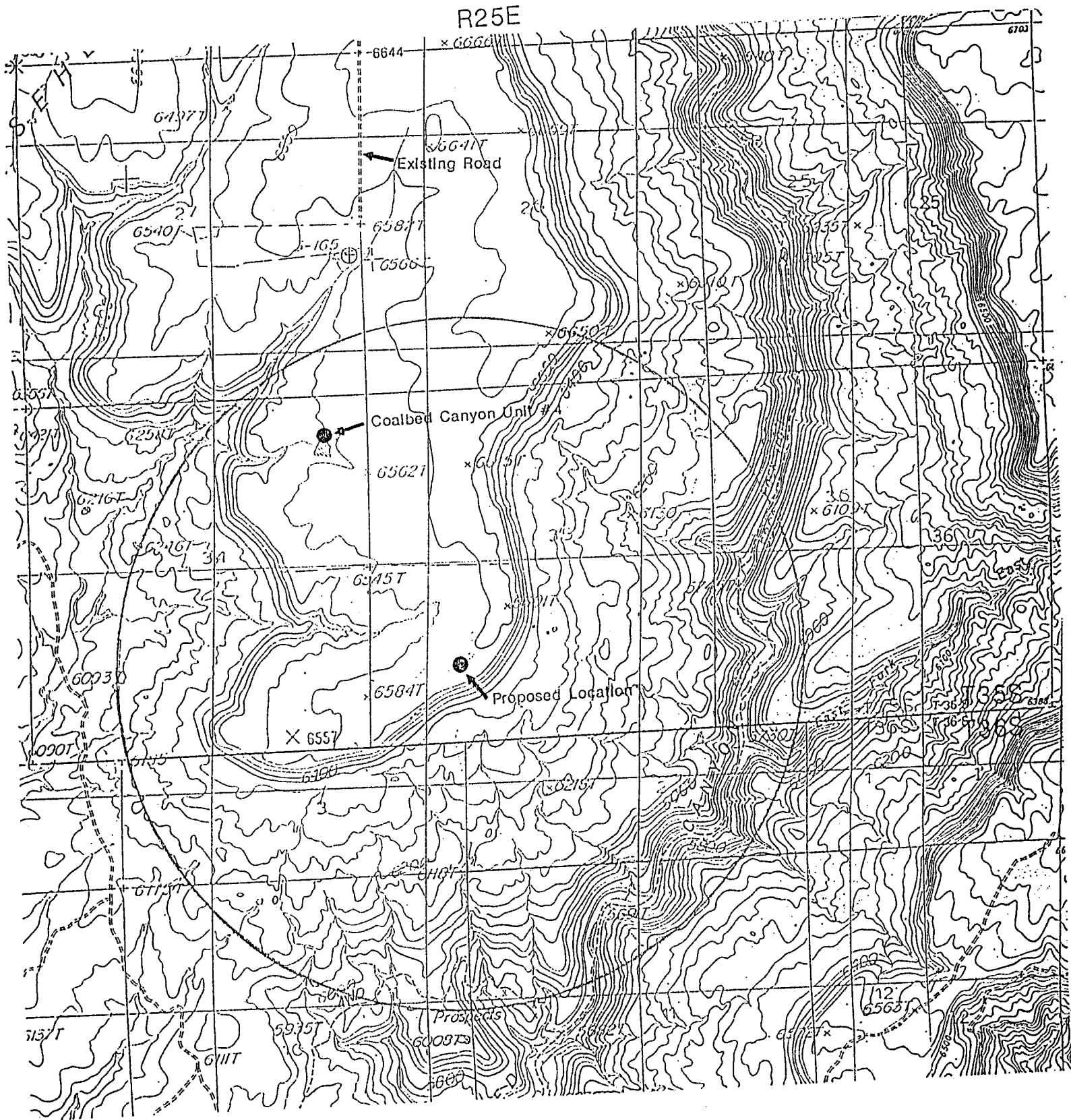
# CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions that exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with operations proposed herein will be performed by Giant Exploration & Production Company and its contractors in conformity with this plan, and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U. S. C. 1001 for the filing of a false statement.

By:  Date: July 10, 1990

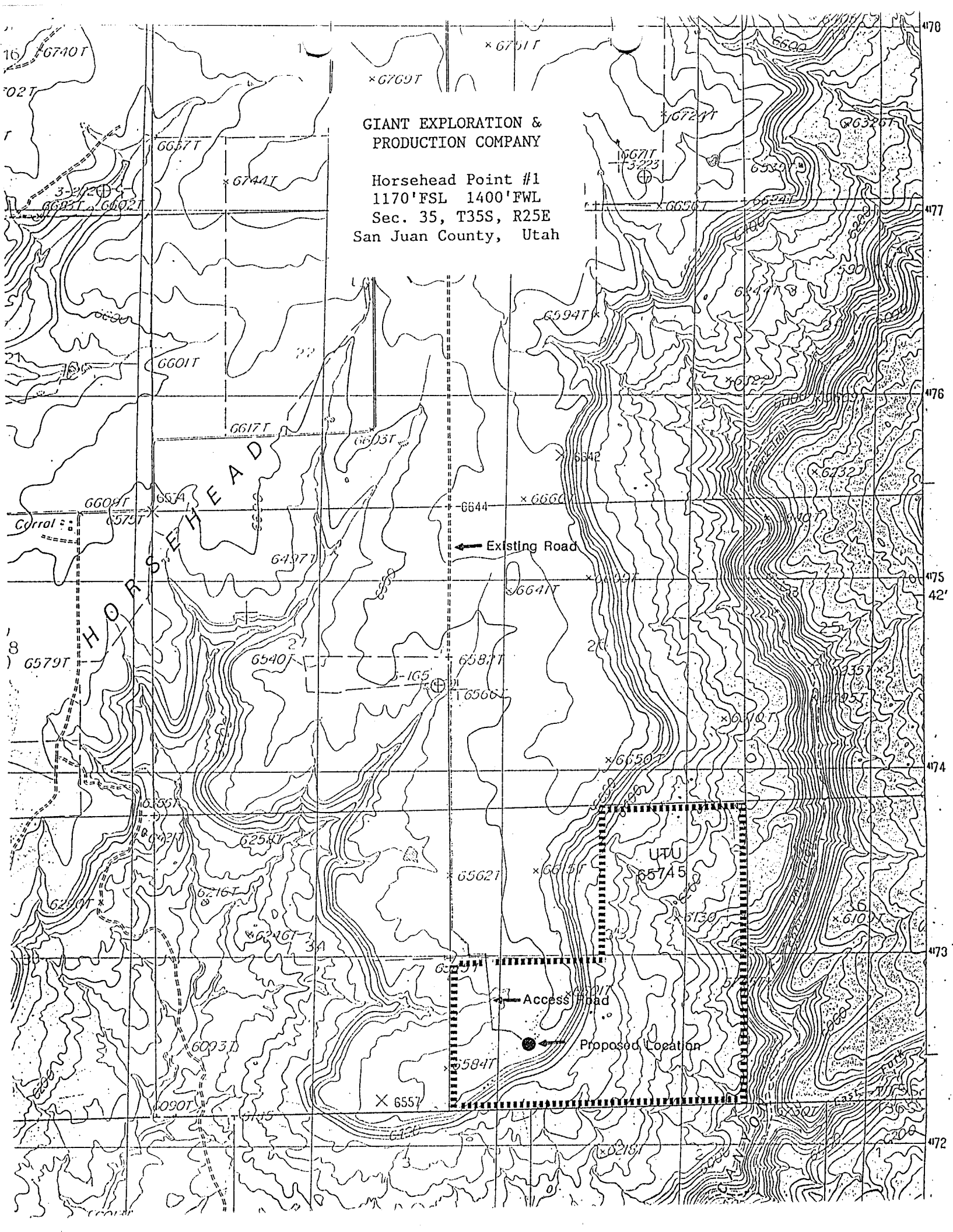
Aldrich L. Kuchera  
President/CEO  
Giant Exploration & Production Company  
2200 Bloomfield Highway  
P. O. Box 2810  
Farmington, New Mexico 87499

Office: (505) 326-3325  
Home: (505) 325-3348



GIANT EXPLORATION & PRODUCTION COMPANY

Horsehead Point #1  
 1170' FSL 1400' FWL  
 Section 35, T35S, R25E  
 San Juan County, Utah



GIANT EXPLORATION &  
PRODUCTION COMPANY

Horsehead Point #1  
1170' FSL 1400' FWL  
Sec. 35, T35S, R25E  
San Juan County, Utah

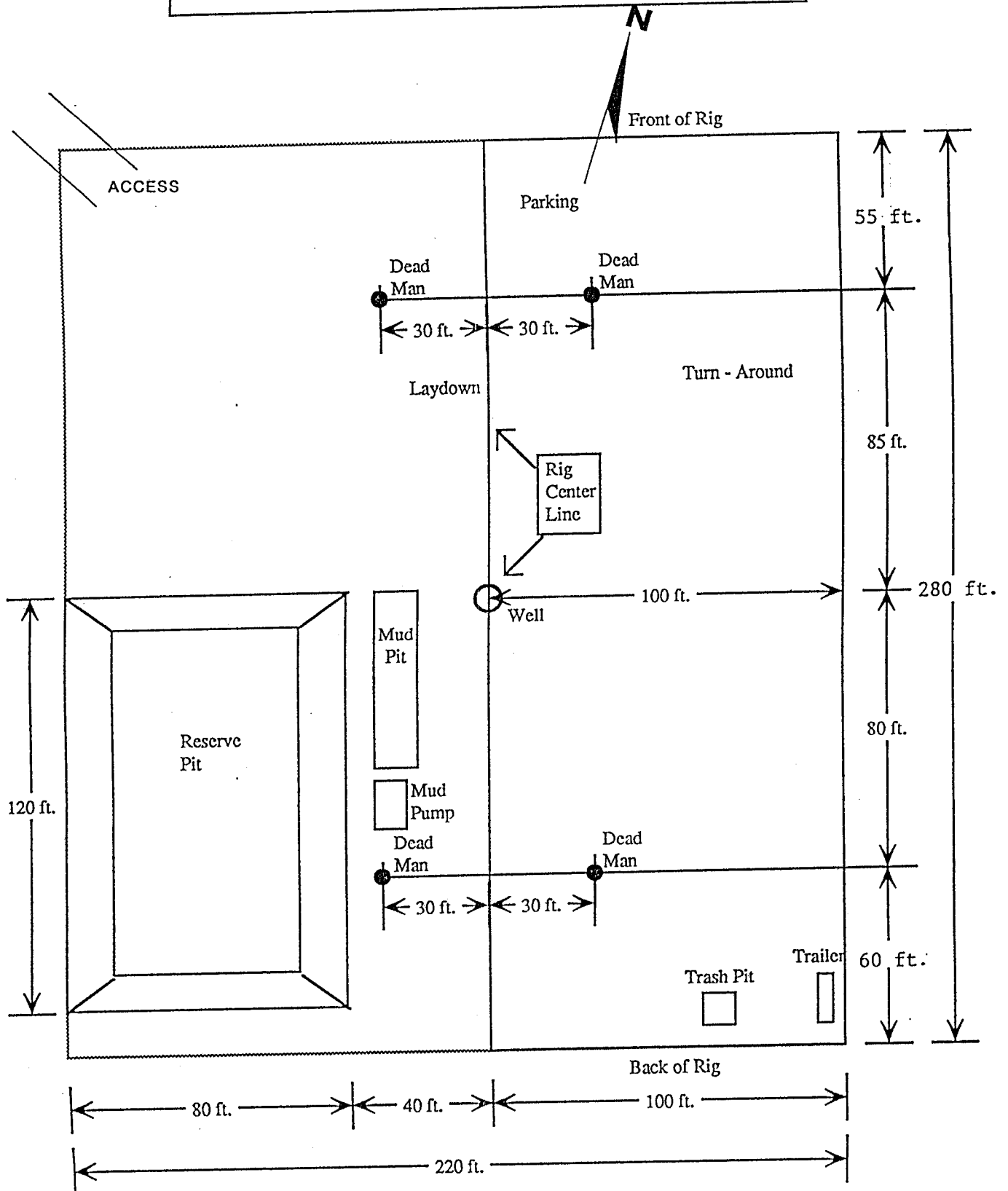
Existing Road

Access Road

Proposed Location

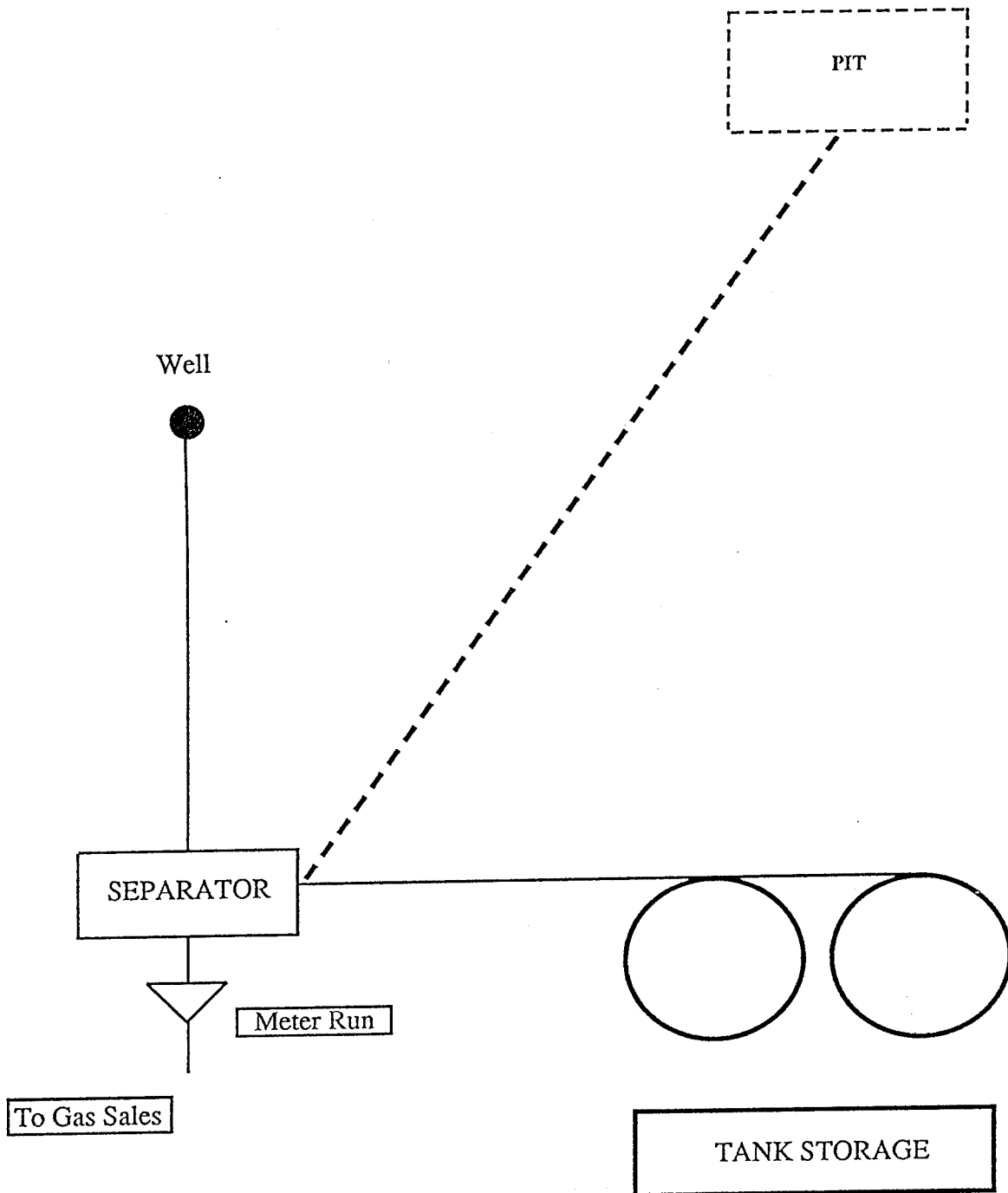
# Giant Exploration & Production Company Drilling Rig Location Plat

HORSEHEAD POINT #1



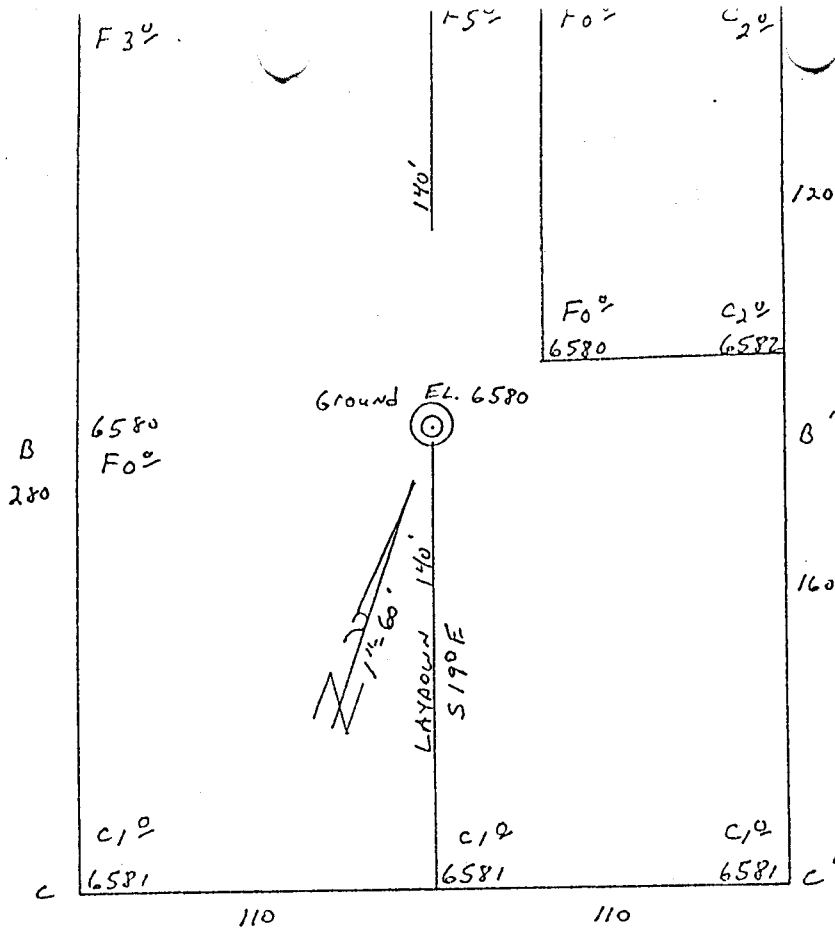
# ANTICIPATED PRODUCTION FACILITIES

## Horsehead Point #1



**Giant Exploration & Production Company**

Post Office Box 2810  
Farmington, New Mexico 87499  
505-326-3325



Hixon Development Company  
OPERATOR

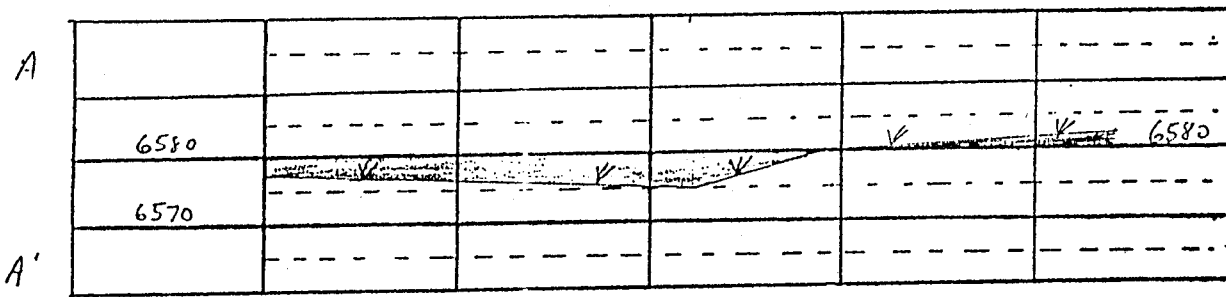
Horse Head Point #1  
WELL NAME and NUMBER

1170' F/SL 1400' F/WL  
FOOTAGES

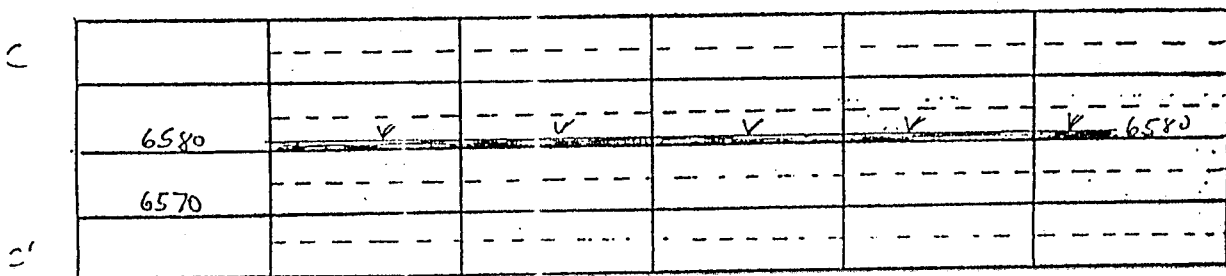
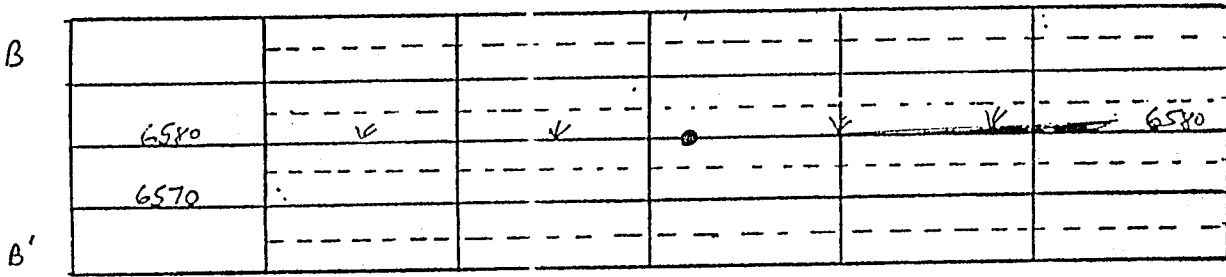
35 35S 25E  
SEC. TWP. RGE.

San Juan, Utah  
COUNTY

June 22, 1990  
DATE



Horiz 1" = 50'  
VERT 1" = 30'



OPERATOR Giant Exploration & Prod. Co DATE 11-8-90  
WELL NAME Horsehead Point #1  
SEC SESW 35 T 35S R 05E COUNTY San Juan

13-037-31588  
API NUMBER

Individual (1)  
TYPE OF LEASE

CHECK OFF:

☒

PLAT

☒

BOND

☒

NEAREST  
WELL

☒

LEASE

☒

FIELD  
SLBM

☒

POTASH OR  
OIL SHALE

PROCESSING COMMENTS:

Exception Location

well has already been approved by BLM.

BOCC 11-9-90

APPROVAL LETTER:

SPACING:

☐

R615-2-3

N/A

UNIT

☐

R615-3-2

☐

N/A

CAUSE NO. & DATE

☒

R615-3-3

STIPULATIONS:

1- Needs Water Permit

Recommended that drilling operations &  
reclamation activities avoid this area

for the period of Dec 1 - April 15, 1991

Critical valued deer winter range.



DIVISION OF OIL, GAS AND MINING

43-037-31588

SPUDDING INFORMATION

NAME OF COMPANY: GIANT EXPLORATION

WELL NAME: HORSEHEAD POINT #1

SECTION SESW 35 TOWNSHIP 35S RANGE 25E COUNTY SAN JUAN

DRILLING CONTRACTOR BILL JR.

RIG #                     

SPUDDED: DATE 11-23-90

TIME 12:00 noon

HOW RAT HOLE

DRILLING WILL COMMENCE                                     

REPORTED BY Debbie Shelton

TELEPHONE # 505-326-3325

DATE 11-21-90 SIGNED TAS

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)</p>		<p>5. LEASE DESIGNATION &amp; SERIAL NO. UTU 65745</p>
<p>1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/></p>		<p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</p>
<p>2. NAME OF OPERATOR Giant Exploration &amp; Production Company</p>		<p>7. UNIT AGREEMENT NAME</p>
<p>3. ADDRESS OF OPERATOR PO Box 2810, Farmington, N.M. 87499</p>		<p>8. FARM OR LEASE NAME Horsehead Point</p>
<p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1170' FSL, 1400' FWL, Sec. 35, T35S, R25E At proposed prod. zone</p>		<p>9. WELL NO. 1</p>
<p>10. FIELD AND POOL, OR WILDCAT Wildcat</p>		<p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 35, T35S, R25E</p>
<p>14. API NO.</p>	<p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6580' GLE</p>	<p>12. COUNTY San Juan</p>
		<p>13. STATE Utah</p>

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	FULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>APD Amendment</u>	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)
(Other) <input type="checkbox"/>		DATE OF COMPLETION _____	

APPROX. DATE WORK WILL START \_\_\_\_\_

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

\* Must be accompanied by a cement verification report.

Please accept this sundry as an amendment to the Application for Permit to Drill for the above referenced well.

Surface casing will be set at 250' using 260 sks. of cement.

Intermediate casing will be 9-5/8", 36#, 8rd, K-55, ST&C, Smls casing, and will be set using 505 sks. of cement.

Production casing will be set using 370 sks. of lead cement and 100 sks. of tail cement.

ACCEPTED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE 12-5-90  
BY J. Matthews

18. I hereby certify that the foregoing is true and correct

SIGNED Aldrich L. Kuchera TITLE President DATE NOV 20 1990

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

See Instructions On Reverse Side

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)</p>		<p>5. LEASE DESIGNATION &amp; SERIAL NO. UTU 65745</p>	
<p>1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/></p>		<p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</p>	
<p>2. NAME OF OPERATOR Giant Exploration &amp; Production Company</p>		<p>7. UNIT AGREEMENT NAME</p>	
<p>3. ADDRESS OF OPERATOR PO Box 2810, Farmington, N.M. 87499</p>		<p>8. FARM OR LEASE NAME Horsehead Point</p>	
<p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1170' FSL, 1400' FWL, Sec. 35, T35S, R25E At proposed prod. zone</p>		<p>9. WELL NO. 1</p>	
<p>10. FIELD AND POOL, OR WILDCAT Wildcat</p>		<p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 35, T35S, R25E</p>	
<p>14. API NO.</p>	<p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6580' GLE</p>	<p>12. COUNTY San Juan</p>	<p>13. STATE Utah</p>

10. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>APD Amendment</u>	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)
(Other) <input type="checkbox"/>		DATE OF COMPLETION _____	
APPROX. DATE WORK WILL START _____			

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

\* Must be accompanied by a cement verification report.

Please accept this sundry as an amendment to the Application for Permit to Drill for the above referenced well.

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Production casing will be set using 370 sks. of lead cement and 100 sks. of tail cement.

ACCEPTED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 12-5-90

BY: *[Signature]*

18. I hereby certify that the foregoing is true and correct

SIGNED *[Signature]* President

DATE NOV 20 1990

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

See Instructions On Reverse Side



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF WILDLIFE RESOURCES

Norman H. Bangarter  
Governor  
Dee C. Hansen  
Executive Director  
Timothy H. Provan  
Division Director

Southeastern Region  
455 West Railroad Avenue  
Price, Utah 84501-2829  
801-637-3310

*Copy to Ron Firth*

November 28, 1990

RECEIVED  
NOV 29 1990

DIVISION OF  
OIL, GAS & MINING

Pam Grubaugh-Lettig  
Division of Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

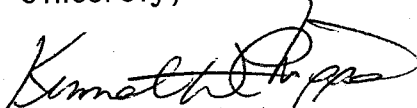
Dear Pam:

The Division has received a state action application for a permit to drill a wildcat well, the Horsehead Point #1, on federal lease UTU-65745, in San Juan County, Utah. Enclosed is a copy of the application.

We would like to offer comments pertaining to this action as the drill site is located in critical valued deer winter range. It is recommended that drilling operations and reclamation activities avoid this area for the period of December 1 - April 15. Disturbed areas should be revegetated to reduce the potential for erosion, as well as maintain the forage value of the area for wildlife.

Thank you for the opportunity to provide comment.

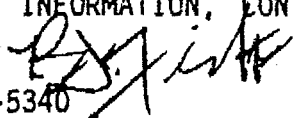
Sincerely,

  
Kenneth W. Phippen  
Regional Resource Analyst

cc: Catherine Quinn, UDWR  
Carolyn Wright, RDCC

STATE ACTIONS

Mail to:  
RDCC Coordinator  
116 State Capitol  
Salt Lake City, Utah 84114

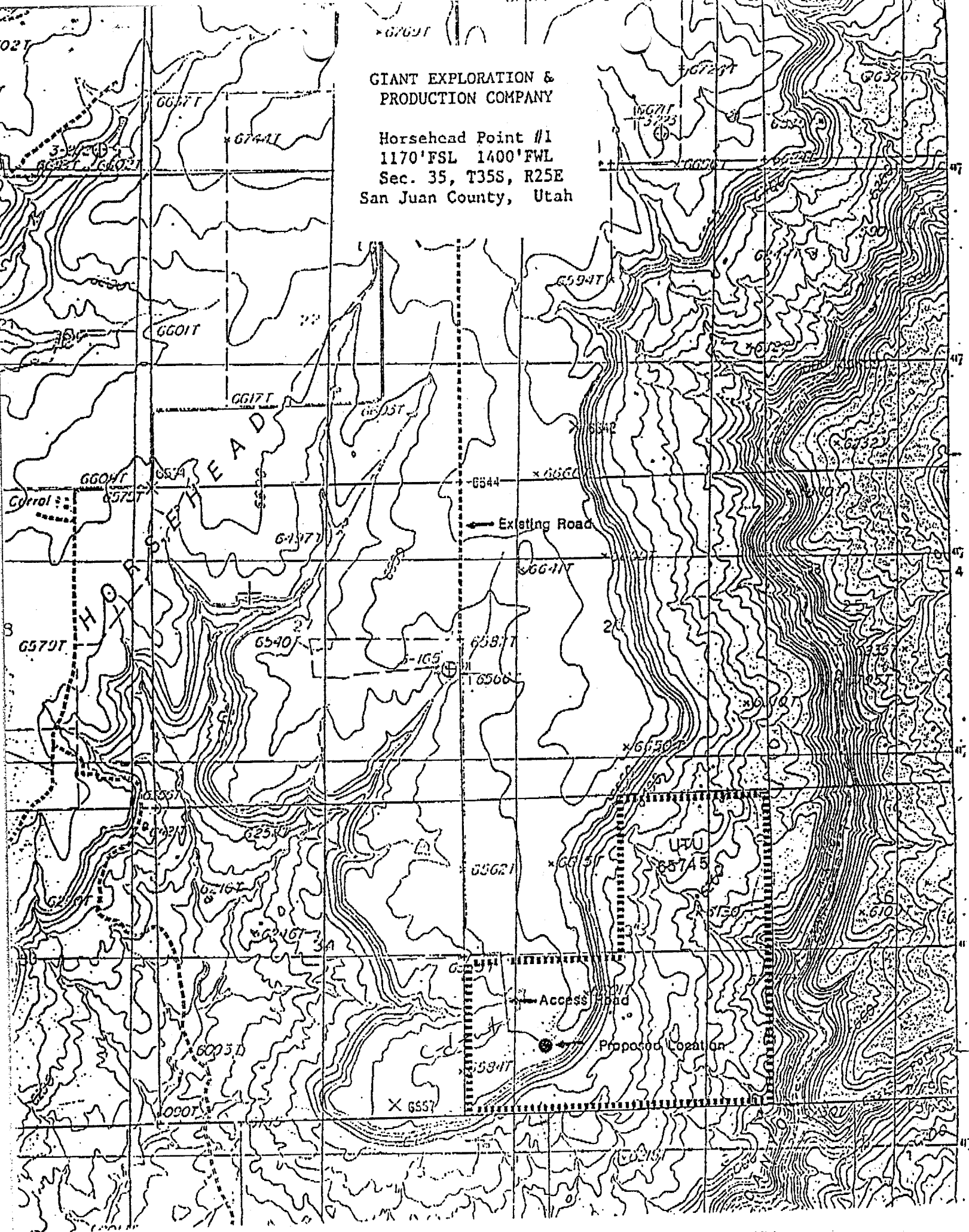
1. ADMINISTERING STATE AGENCY  
OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203
2. STATE APPLICATION IDENTIFIER NUMBER:  
(assigned by State Clearinghouse)
3. APPROXIMATE DATE PROJECT WILL START:  
July 29, 1990
4. AREAWIDE CLEARING HOUSE(S) RECEIVING STATE ACTIONS:  
(to be sent out by agency in block 1)  
Southeastern Utah Association of Governments
5. TYPE OF ACTION: ☐ Lease ☒ Permit ☐ License ☐ Land Acquisition  
☐ Land Sale ☐ Land Exchange ☐ Other
6. TITLE OF PROPOSED ACTION:  
Application for Permit to Drill
7. DESCRIPTION:  
Giant Exploration and Production Company proposes to drill a wildcat well, the Horsehead Point #1 on federal lease UTU-65745 in San Juan County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S Bureau of Land Management is the primary administrative agency in this action and must issue approval before operations commence.
8. LAND AFFECTED (site location map required) (indicate county)  
SE/4, SW/4, Section 35, Township 35 South, Range 25 East, San Juan County, Utah
9. HAS THE LOCAL GOVERNMENT(S) BEEN CONTACTED?  
Unknown
10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR:  
No significant impacts are likely to occur.
11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE:
12. FOR FURTHER INFORMATION, CONTACT:  
R.J. Firth  
PHONE: 538-5340
13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL  
  
DATE: 11-9-90 Petroleum Engineer

WO1187

PLEASE NOTE! Due to the short turnaround time, please comment directly to the Agency with a copy to OPB.

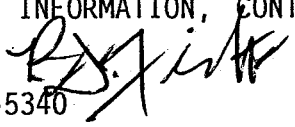
GIANT EXPLORATION &  
PRODUCTION COMPANY

Horsehead Point #1  
1170' FSL 1400' FWL  
Sec. 35, T35S, R25E  
San Juan County, Utah



STATE ACTIONS

Mail to:  
RDCC Coordinator  
116 State Capitol  
Salt Lake City, Utah 84114

1. ADMINISTERING STATE AGENCY  
OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203
2. STATE APPLICATION IDENTIFIER NUMBER:  
(assigned by State Clearinghouse)
3. APPROXIMATE DATE PROJECT WILL START:  
July 29, 1990
4. AREAWIDE CLEARING HOUSE(S) RECEIVING STATE ACTIONS:  
(to be sent out by agency in block 1)  
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5. TYPE OF ACTION: ☐ Lease ☒ Permit ☐ License ☐ Land Acquisition  
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6. TITLE OF PROPOSED ACTION:  
Application for Permit to Drill
7. DESCRIPTION:  
Giant Exploration and Production Company proposes to drill a wildcat well, the Horsehead Point #1 on federal lease UTU-65745 in San Juan County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S Bureau of Land Management is the primary administrative agency in this action and must issue approval before operations commence.
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10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR:  
No significant impacts are likely to occur.
11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE:
12. FOR FURTHER INFORMATION, CONTACT:  
R.J. Firth  
PHONE: 538-5340
13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL  
  
DATE: 11-9-90      Petroleum Engineer

WOI187



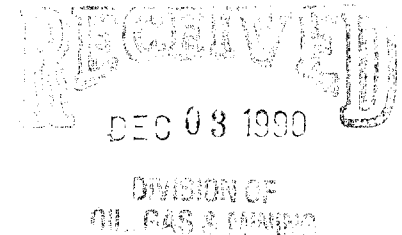
**GIANT EXPLORATION AND  
PRODUCTION COMPANY**

P.O. Box 2810  
Farmington, New Mexico  
87499

505  
326-3325

November 28, 1990

State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203



ATTENTION: Ms. Tami Searing

REFERENCE: Horsehead Point No. 1  
1170' FSL and 1400' FWL  
Section 35, T35S, R25E  
San Juan County, New Mexico

Dear Ms. Searing:

Please find enclosed a copy of our lease number UTU-65745 defining the area in which the referenced well is proposed. Due to topographical and archaeological constraints, we could not stake the well within the drilling window as specified in R615-3-2. We do, however, enjoy the oil and gas privileges within and beyond a 460 foot radius of the proposed location.

We trust that this satisfies any regulatory requirement, but should you require additional information please feel free to call.

Sincerely,

GIANT EXPLORATION & PRODUCTION COMPANY

John C. Corbett  
Vice President - Exploration

:dh

Enclosures





Norman H. Bangerter  
Governor  
Dee C. Hansen  
Executive Director  
Dianne R. Nielson, Ph.D.  
Division Director

# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

December 5, 1990

Giant Exploration & Production Co.  
P. O. Box 2810  
Farmington, New Mexico 87499

Gentlemen:

Re: Horsehead Point #1 - SE SW Sec. 35, T. 35S, R. 25E - San Juan County, Utah  
1170' FSL, 1400' FWL

Approval to drill the referenced well is hereby granted in accordance with Rule R615-3-3, Oil and Gas Conservation General Rules, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.
2. As the drill site is located in critical valued deer winter range, it is recommended that drilling operations and reclamation activities avoid this area for the period of December 1 - April 15.

In addition, the following actions are necessary to fully comply with this approval:

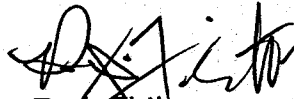
1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification if it is necessary to plug and abandon the well. Notify R. J. Firth, Associate Director, (Office) (801) 538-5340, (Home) 571-6068, or Jim Thompson, Lead Inspector, (Home) 298-9318.

Page 2  
Giant Exploration & Production Company  
Horsehead Point #1  
December 5, 1990

5. Compliance with the requirements of Rule R615-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules.
6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31588.

Sincerely,



R. G. Pirth

Associate Director, Oil & Gas

tas  
Enclosures  
cc: Bureau of Land Management  
J. L. Thompson  
we14/1-20

STATE OF UTAH  
DIVISION OIL, GAS AND MINING

5. LEASE DESIGNATION & SERIAL NO.

UTU 65745

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR

Giant Exploration & Production Company

3. ADDRESS OF OPERATOR

P.O. Box 2810, Farmington, N.M. 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)

At surface 1170' FSL, 1400' FWL, Sec. 35, T35S, R25E

At proposed prod. zone

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Horsehead Point

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 35, T35S, R25E

14. API NO.

43-037-31588

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

6580' GLE

12. COUNTY

San Juan

13. STATE

Utah

16.

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

☐  
☐  
☐  
☐

PULL OR ALTER CASING

☐  
☐  
☐  
☐

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON

REPAIR WELL

CHANGE PLANS

(Other)

APPROX. DATE WORK WILL START

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

☐  
☐  
☐  
☐

REPAIRING WELL

ALTERING CASING

FRACTURE TREATMENT

ABANDONMENT\*

SHOOTING OR ACIDIZING

(Other) Drilling Progress

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

DATE OF COMPLETION

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

\* Must be accompanied by a cement verification report.

Drilled out from under casing with 12-1/4" bit December 7, 1990. Drilled to 2250'. Ran 52 jts. (2267.72') of 9-5/8", 36#, J-55, 8rd, ST&C casing. BakerLoked cement nosed guide shoe on bottom and auto-fill insert float on top of 1st jt. Ran centralizers on tops of 1st, 3rd, 5th, 7th, and 9th jts. Casing set at 2248.31', PBD at 2208.27'. Cemented casing as follows: Mixed and pumped 505 sks. (1171.6 cu. ft.) Class "B" cement containing 3% salt, 16% gel, 0.4% HR-7 and 1/4#/sk. Flocele. Tailed in with 200 sks. (236 cu. ft.) of Class "B" cement containing 2% CaCl<sub>2</sub> and 1/4#/sk. Flocele. Cement circulated to surface. Pressure tested casing to 2250 psi for 15 minutes. Test ok.

18. I hereby certify that the foregoing is true and correct

SIGNED

Aldrich L. Kuchera

(This space for Federal or State office use)

TITLE President

DATE

DEC 19 1990

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

See Instructions On Reverse Side

STATE OF UTAH  
DIVISION OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION & SERIAL NO. UTU 65745
2. NAME OF OPERATOR Giant Exploration & Production Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR P.O. Box 2810, Farmington, N.M. 87499 (505) 326-3325		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1170' FSL, 1400' FWL, Sec. 35, T35S, R25E At proposed prod. zone		8. FARM OR LEASE NAME Horsehead Point
		9. WELL NO. 1
		10. FIELD AND POOL, OR WILDCAT Wildcat
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 35, T35S, R25E
14. API NO. 43-037-31588	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6580' GLE	12. COUNTY San Juan
		13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Drilling Progress</u>	
(Other) <input type="checkbox"/>		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	
APPROX. DATE WORK WILL START _____		DATE OF COMPLETION _____	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

\* Must be accompanied by a cement verification report.

Spudded surface at 2:00 pm on November 23, 1990. Drilled 17-1/2" hole to 218' KB. Ran 5 jts. (215.01') of 13-3/8", 48#, H-40, 8rd, ST&C casing. BakerLoked Texas pattern guide shoe on bottom of 1st jt. Casing set at 213'. Mixed and pumped 350 sks. (403 cu. ft.) of Class "G" cement containing 2% CaCl<sub>2</sub> and 1/4#/sk. cellophane flakes. Cement circulated to surface.

18. I hereby certify that the foregoing is true and correct

SIGNED Aldrich L. Kuchera TITLE President DATE DEC 19 1990

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

See Instructions On Reverse Side



**GIANT EXPLORATION AND  
PRODUCTION COMPANY**

P.O. Box 2810  
Farmington, New Mexico  
87499

505  
326-3325

January 2, 1991

Utah Oil Conservation Division  
355 West North Temple  
3 Triad Center  
Salt Lake City, UT 84180-1203

REFERENCE: Horsehead Point No. 1

Dear Gentlemen:

Enclosed please find one (1) copy of the wireline logs for  
the above referenced well.

Sincerely,

GIANT EXPLORATION & PRODUCTION COMPANY

A handwritten signature in cursive script that reads "John C. Corbett".

John C. Corbett  
Vice President - Exploration

:clm

Enclosures

SPECTRAL DENSITY DUAL SPACED NEUTRON

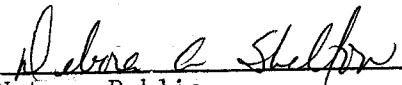
DUAL INDUCTION GUARD LOG

vlc

GIANT EXPLORATION & PRODUCTION COMPANY  
HORSEHEAD POINT WELL NO. 1  
1170' FSL, 1400' FWL  
SEC. 35, T35S, R25E  
SAN JUAN COUNTY, UTAH  
LEASE NO.: UTU 65745  
DEVIATION SURVEY  
Page 2

State of New Mexico  
County of San Juan

The foregoing instrument was acknowledged before me this 23rd  
day of January, 1991, by Aldrich L. Kuchera.

  
\_\_\_\_\_  
Notary Public

My commission expires July 20, 1991.

RECEIVED  
JAN 26 1991  
DIVISION OF  
OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION & SERIAL NO. UTU 65745	
2. NAME OF OPERATOR Giant Exploration & Production Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR PO Box 2810, Farmington, N.M. 87499 (505) 326-3325		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1170' FSL, 1400' FWL, Sec. 35, T35S, R25E At proposed prod. zone		8. FARM OR LEASE NAME Horsehead Point	
14. API NO. 43-037-31588		9. WELL NO. 1	
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6580' GLE		10. FIELD AND POOL, OR WILDCAT Wildcat	
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 35, T35S, R25E	
		12. COUNTY San Juan	13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Drilling Progress</u>	
(Other)		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	
APPROX. DATE WORK WILL START _____		DATE OF COMPLETION _____	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

\* Must be accompanied by a cement verification report.

Drilled out from under casing with 7-7/8" bit December 10, 1990. Drilled to TD of 6435'. Ran Induction Log, Spectral Density-Neutron log with calliper and gamma ray, and Short Spaced Sonic Log. Log tops as follows: Shinarump - 2718', Moenkopi - 2796', Cutler - 2850', Hermosa - 4725', Paradox - 5940', Ismay - 6129', Hovenweep - 6165', Gothic - 6248', Desert Creek - 6297', Chimney Rock - 6376', Akah - 6390'. Ran 150 jts. (6435.41') of 5-1/2", 17#, J-55, 8rd, LT&C casing. BakerLoked cement nosed guide shoe on bottom and insert flapper float on top of 1st jt. Ran centralizers on tops of 1st, 3rd, 5th, 7th, 9th, 11th and 13th jts. Casing set at 6434.91', PBD at 6396.33'. Cemented casing as follows: Mixed and pumped 570 sks. (1322.4 cu. ft.) Class "B" cement containing 3% salt, 16% gel, 0.6% dispersant and 1/4#/sk. Flocele. Tailed in with 150 sks. (177 cu. ft.) of Class "B" cement containing 3% salt, 0.3% dispersant, 0.8% fluid loss additive and 1/4#/sk. Flocele. Cement circulated to surface. Pressure tested casing to 2300 psi for 15 minutes. Test ok. Waiting on completion operations.

18. I hereby certify that the foregoing is true and correct

SIGNED Aldrich L. Kuchera TITLE President

DATE

JAN 23 1991

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_

TITLE \_\_\_\_\_

DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

See Instructions On Reverse Side

43-037-31588 del

GIANT EXPLORATION & PRODUCTION COMPANY  
HORSEHEAD POINT WELL NO. 1  
1170' FSL, 1400' FWL  
SEC. 35, T35S, R25E  
SAN JUAN COUNTY, UTAH  
LEASE NO.: UTU 65745  
DEVIATION SURVEY

RECEIVED  
JAN 28 1991

DIVISION OF  
OIL, GAS & MINING

<u>DATE</u>	<u>DEPTH</u>	<u>INCLINATION</u>
12-06-90	218'	1/4 degree
12-07-90	530'	1/4 degree
12-08-90	1010'	3/4 degree
12-08-90	1310'	3/4 degree
12-08-90	1853'	1 degree
12-09-90	2250'	1-1/2 degrees
12-11-90	2750'	1/2 degree
12-11-90	3339'	1 degree
12-12-90	3900'	3/4 degree
12-13-90	4393'	3/4 degree
12-14-90	4835'	1/2 degree
12-15-90	5369'	1/2 degree
12-15-90	5769'	1 degree
12-17-90	6180'	3/4 degree
12-18-90	6435'	3/4 degree

By: Aldrich L. Kuchera Date: January 23, 1991  
Aldrich L. Kuchera  
President





## INVOICE

REMIT TO:

P O BOX 990788  
DALLAS TX 75389-0788

1506

624186  
GIANT EXPLORATION &  
PRODUCTION COMPANY  
P O BOX 2810  
FARMINGTON

NM 87499

INVOICE DATE

04/24/91

INVOICE NUMBER

15-69-2591

PAGE

1

TYPE SERVICE

CEMENTING  
PLUG TO ABANDON

WELL NAME / JOB SITE	STATE	COUNTY / CITY	SERVICE FROM LOCATION	SHIPPED VIA	CUSTOMER P.O. NO./REF.
HORSE HEAD POINT #1	UT	SAN JUAN	CORTEZ		
LOCATION / PLANT ADDRESS			DATE OF SERVICE ORDER	CUSTOMER OR AUTHORIZED REPRESENTATIVE	
SEC. 35 - T35S - R25E			04/24/91	CASEY MCBRIDE	

ITEM CODE	DESCRIPTION	UOM	QTY	LIST PRICE	LIST AMOUNT	% OFF	NET PRICE	NET AMOUNT
102872065	LHR/SWZ/PLG 6001-6500' 1ST 8	8HR	1	2,235.0000	2,235.00	24.0	1,698.6000	1,698.60
059200002	MILEAGE, ALL OTHER EQUIPMENT	MI	189	2.6500	500.85	24.0	2.0140	380.65
048020000	CEMENT PUMP-ADDL HR ON LOCAT	HR	9	260.0000	2,340.00	24.0	197.6000	1,778.40
048019000	CEMENT BULK UNIT HRS ON LOCA	HR	9	45.0000	405.00	24.0	34.2000	307.80
102476000	SERVICE SUPER OR FIELD ENGR	HR	9	45.0000	405.00	24.0	34.2000	307.80
102476001	EQUIP OPER OR SERVICE TECH	HR	18	35.0000	630.00	24.0	26.6000	478.80
059697000	PACR TREAT ANALYSIS RECORDER	JOB	1	125.0000	125.00	24.0	95.0000	95.00
049102000	TRANSPORTATION CMNT TON MILE	MI	706	.0000	564.80	24.0	.6080	429.25
049100000	SERVICE CHG CEMENT MATL LAND	CFT	225	1.1500	258.75	24.0	.8740	196.65
048205000	PRESSURIZED MUD BALANCE AND	JOB	1	70.0000	70.00	24.0	53.2000	53.20
040007000	D907, CEMENT CLASS G	CFT	122	8.1500	994.30	24.0	6.1940	755.67
067005100	S1,CALCIUM CHLORIDE	LBS	230	.3400	78.20	24.0	.2584	59.43
045014050	D20, BENTONITE EXTENDER	LBS	3963	.1500	594.45	24.0	.1140	451.78
045028001	D31, BARITE	CWT	43	16.4500	707.35	24.0	12.5020	537.59
102746000	FUEL SURCHARGE	JOB	1	226.0300	226.03	0.0	226.0300	226.03
						23.4	SUB TOTAL --	7,756.65

M C STATE TAX ON  
M L C LOCAL TAX ON2,233.72 117.27  
2,233.72 16.75

AMOUNT DUE -- 7,890.67

*Integrable Drilling*

WITH QUESTIONS CALL 303-565-7461

FEDERAL TAX ID # 38-239-7173

TERMS -- NET 30 DAYS DUE ON OR BEFORE MAY 26, 1991

THANK YOU. WE APPRECIATE YOUR BUSINESS.

**RECEIVED**  
MAR 04 1991

LEASE DESIGNATION & SERIAL NO.

UTU 65745

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(Do not use this form for proposals to drill or to deepen or plug back to a different zone. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR Giant Exploration & Production Company		8. FARM OR LEASE NAME Horsehead Point	
3. ADDRESS OF OPERATOR PO Box 2810, Farmington, N.M. 87499		9. WELL NO. 1	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1170' FSL, 1400' FWL, Sec. 35, T35S, R25E At proposed prod. zone		10. FIELD AND POOL, OR WILDCAT Wildcat	
		11. SEC., T., R., N. OR BLK. AND SURVEY OR AREA Sec. 35, T35S, R25E	
14. API NO. 43-037-31588	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6580' GLE	12. COUNTY San Juan	13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON <input checked="" type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) _____	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)
(Other) _____		DATE OF COMPLETION _____	

APPROX. DATE WORK WILL START \_\_\_\_\_

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

\* Must be accompanied by a cement verification report.

Giant Exploration & Production Company plans to plug and abandon the above location as follows:

- 1) Squeeze existing Desert Creek perforations (6360' - 6374') with 5 sks. (5.9 cu. ft.) Class "B" cement containing 2% CaCl. Set a 180' plug (20 sks. (23.6 cu. ft.) Class "B" cement containing 2% CaCl) from 6200' - 6380'.
- 2) Set 2nd cement plug with 12 sks. (14.16 cu. ft.) Class "B" cement containing 2% CaCl from 3100' - 3200'.
- 3) Recover as much 5-1/2" casing as possible.
- 4) Set 3rd cement plug with 26 sks. (30.68 cu. ft.) Class "B" cement containing 2% CaCl from 2650' - 2530'.
- 5) Set 4th cement plug with 33 sks. (38.94 cu. ft.) Class "B" cement containing 2% CaCl from 2198' - 2298'.
- 6) Set 5th cement plug with 19 sks. (22.24 cu. ft.) Class "B" cement containing 2% CaCl from 50' to surface.
- 7) Cut off wellhead and install regulation dry hole marker.

18. I hereby certify that the foregoing is true and correct

SIGNED Aldrich L. Kuchera TITLE President  
(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

TITLE \_\_\_\_\_

DATE: 3-11-91

BY: JP Matthews

ACCEPTED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING  
DATE: MAR 1 1991

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

WELL COMPLETION OR RECOMPLETION REPORT AND LOG										5. LEASE DESIGNATION AND SERIAL NO. UTU 65745	
<b>1a. TYPE OF WELL:</b> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other _____ <b>b. TYPE OF COMPLETION:</b> NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____										6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Giant Exploration & Production Company										7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O.Box 2810, Farmington, N.M. 87499										8. FARM OR LEASE NAME Horsehead Point	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1170' FSL, 1400' FWL, Sec. 35, T35S, R25E  At top prod. interval reported below  At total depth										9. WELL NO. 1	
14. API NO. 43-037-31588										12. COUNTY San Juan	
DATE ISSUED										13. STATE Utah	
15. DATE SPUDDED 11-23-90		16. DATE T.D. REACHED 12-19-90		17. DATE COMPL. (Ready to prod.) 4-26-91 (Plug & Abd.)		18. ELEVATIONS (DF, REB, RT, GR, ETC.) 6580' GLE		19. ELEV. CASINGHEAD			
20. TOTAL DEPTH, MD & TVD 6435'		21. PLUG BACK T.D., MD & TVD 6396.33'		22. IF MULTIPLE COMPL., HOW MANY N/A		23. INTERVALS DRILLED BY →		ROTARY TOOLS X		CABLE TOOLS	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)  6360' - 6374'										25. WAS DIRECTIONAL SURVEY MADE  Yes	
26. TYPE ELECTRIC AND OTHER LOGS RUN 1-7-91 Induction log, spectral density-neutron log with caliper & gamma ray, & short spaced sonic log.										27. WAS WELL CORED YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Submit analysis) DRILL STEM TEST YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (See reverse side)	
28. CASING RECORD (Report all strings set in well)											
CASING SIZE		WEIGHT, LB./FT.		DEPTH SET (MD)		HOLE SIZE		CEMENTING RECORD		AMOUNT PULLED	
13-3/8"		48#		213'		17-1/2"		See Exhibit "A" attached			
9-5/8"		36#		2248.31'		12-1/4"		See Exhibit "A" attached			
5-1/2"		17#		6434.91'		7-7/8"		See Exhibit "A" attached		2182'	
29. LINER RECORD											
SIZE		TOP (MD)		BOTTOM (MD)		SACKS CEMENT		SCREEN (MD)			
30. TUBING RECORD											
SIZE		DEPTH SET (MD)		PACKER SET (MD)							
2-7/8"		6352'									
31. PERFORATION RECORD (Interval, size and number)											
6360'-6374' .52" 56 holes											
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.											
DEPTH INTERVAL (MD)						AMOUNT AND KIND OF MATERIAL USED					
6360'-6374'						Acidized with 35 bbls 20% HCL acid.					
33. PRODUCTION											
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)						WELL STATUS (Producing or shut-in) P & A			
N/A		N/A									
DATE OF TEST		HOURS TESTED		CHOKE SIZE		PROD'N. FOR TEST PERIOD		OIL—BSL.		GAS—MCF.	
N/A		N/A		N/A		→		N/A		N/A	
FLOW, TUBING PRESS.		CASING PRESSURE		CALCULATED 24-HOUR RATE		OIL—BSL.		GAS—MCF.		WATER—BSL.	
N/A		N/A		→		N/A		N/A		N/A	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) N/A										TEST WITNESSED BY	
35. LIST OF ATTACHMENTS											

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

*Aldrich L. Kuchera*  
Aldrich L. Kuchera MDW

TITLE

President

DATE

MAY 13 1991

See Spaces for Additional Data on Reverse Side

## INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments.

ITEMS 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

ITEM 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

37. SUMMARY OF POROUS ZONES:			38. GEOLOGIC MARKERS		
Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.					
Formation	Top	Bottom	Description, contents, etc.	Name	Top Meas. Depth True Vert. Depth
Shinarump	2718'		<div style="border: 2px solid black; padding: 10px; transform: rotate(-15deg); display: inline-block;"> <b>RECEIVED</b> </div> <div style="margin-top: 10px;"> <b>MAY 24 1991</b>  <b>DIVISION OF</b>  <b>OIL GAS &amp; MINING</b> </div>		
Moenkopi	2796'				
Cutler	2850'				
Hermosa	4725'				
Paradox	5940'				
Ismay	6129'				
Hovenweep	6165'				
Gothic	6248'				
Desert Creek	6297'				
Chimney Rock	6376'				
Akah	6390'				

GIANT EXPLORATION & PRODUCTION COMPANY  
HORSEHEAD POINT WELL NO. 1  
1170' FSL, 1400' FWL  
SEC. 35, T35S, R25E  
SAN JUAN COUNTY, UTAH  
LEASE NO.: UTU 65745  
COMPLETION REPORT  
EXHIBIT "A"

CEMENT RECORD

Surface Casing - Mixed and pumped 350 sks. (403 cu. ft.)  
Class "G" cement containing 2% CaCl<sub>2</sub>  
and 1/4#/sk. cellophane flakes. Cement  
circulated to surface.

Intermediate Casing - Mixed and pumped 505 sks. (1171.6 cu.  
ft.) Class "B" cement containing 3%  
salt, 16% gel, 0.4% HR-7 and 1/4#/sk.  
Flocele. Tailed in with 200 sks. (236  
cu. ft.) Class "B" cement containing 2%  
CaCl<sub>2</sub> and 1/4#/sk. Flocele. Cement  
circulated to surface.

Production Casing - Mixed and pumped 570 sks. (1322.4 cu.  
ft.) Class "B" cement containing 3%  
salt, 16% gel, 0.6% dispersant and  
1/4#/sk. Flocele. Tailed in with 150  
sks. (177 cu. ft.) Class "B" cement  
containing 3% salt, 0.3% dispersant,  
0.8% fluid loss additive and 1/4#/sk.  
Flocele. Cement circulated to surface.

STATE OF UTAH  
DIVISION OIL, GAS AND MINING

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)</p>		<p>5. LEASE DESIGNATION &amp; SERIAL NO. UTU 65745</p>
		<p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</p>
<p>1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/></p>		<p>7. UNIT AGREEMENT NAME</p>
<p>2. NAME OF OPERATOR Giant Exploration &amp; Production Company</p>		<p>8. FARM OR LEASE NAME Horsehead Point</p>
<p>3. ADDRESS OF OPERATOR P.O. Box 2810, Farmington, New Mexico 87499</p>		<p>9. WELL NO. 1</p>
<p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1170' FSL, 1400' FWL, Sec. 35, T35S, R25E At proposed prod. zone</p>		<p>10. FIELD AND POOL, OR WILDCAT Wildcat</p>
		<p>11. SEC., T., R., M. OR BLK. AND SURVEY OR AREA Sec. 35, T35S, R25E</p>
<p>14. API NO. 43-037-31588</p>	<p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6580' GLE</p>	<p>12. COUNTY San Juan</p>
		<p>13. STATE Utah</p>

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

☐  
☐  
☐  
☐

PULL OR ALTER CASING

☐  
☐  
☐  
☐

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON

REPAIR WELL

CHANGE PLANS

(Other)

APPROX. DATE WORK WILL START

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

☐  
☐  
☐

REPAIRING WELL

☐  
☐  
☒

FRACTURE TREATMENT

ALTERING CASING

SHOOTING OR ACIDIZING

ABANDONMENT\*

(Other)

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

DATE OF COMPLETION

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

\* Must be accompanied by a cement verification report.

The above location was plugged and abandoned on April 16, 1991 as follows:

1. Set 30 sk. (35.4 cu. ft.) Class "G" cement plug from 6391' - 6120'.
2. Set 12 sk. (14.16 cu. ft.) Class "G" cement plug from 3200' - 3100'.
3. Pulled 2182' of 5-1/2", 17.0#, K-55 casing.
4. Set 12.5 bbl (70.6 cu. ft.) Class "B" cement plug from 2330' - 2064'.
5. Set 4 bbl (22.42 cu. ft.) Class "B" cement plug from 75' to surface.
6. Cut off wellhead and installed regulation dry hole marker.

RECEIVED

MAY 24 1991

DIVISION OF  
OIL GAS & MINING

ACCEPTED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE:

5-31-91

BY:

*Matthew*

18. I hereby certify that the foregoing is true and correct

SIGNED

Aldrich L. Kuchera

(This space for Federal or State office use)

TITLE President

DATE

MAY 13 1991

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

See Instructions On Reverse Side